

**QUARTERLY FEDERAL COURT
LITIGATION STATUS REPORT**

Office of the General Counsel
Bureau of Competition
Bureau of Consumer Protection
Regional Offices

September 30, 2002

No. 74

TABLE OF CONTENTS

SUMMARY OF CASES	ii
PETITIONS FOR REVIEW	1
A) Orders to Cease and Desist	1
B) Rulemakings	1
INJUNCTION AND CONSUMER REDRESS CASES	1
A) Preliminary Injunctions (Mergers/Acquisitions)	1
B) Preliminary Injunctions (Other)	1
C) Permanent Injunctions/Consumer Redress	2
CIVIL PENALTY AND ENFORCEMENT CASES	77
A) Consumer Protection	77
B) Competition	88
SUBPOENA AND CID ENFORCEMENT PROCEEDINGS	89
SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION	93
AMICUS CURIAE BRIEFS	99

SUMMARY OF CASES

D. Ct. Ct. App.¹ S. Ct. Total

PETITIONS FOR REVIEW				
INJUNCTION AND CONSUMER REDRESS CASES	95	10		105
CIVIL PENALTY AND ENFORCEMENT CASES	19	1		20
SUBPOENA AND CID ENFORCEMENTS	3	2	1	6
SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION	7	1		8
AMICUS CURIAE BRIEFS	4			4
TOTALS	128	14	1	143

¹ Includes all cases in which appellate proceedings have taken place during the reporting period or are pending; these cases are not counted in the District Court column, even if such proceedings are going on simultaneously.

PETITIONS FOR REVIEW

A) Orders to Cease and Desist

B) Rulemakings

(None pending)

INJUNCTION AND CONSUMER REDRESS CASES

(A) Preliminary Injunctions (Mergers/Acquisitions)

(None pending)

(B) Preliminary Injunctions (Other)

(None pending)

(C) **Permanent Injunctions/Consumer Redress**²

FTC v. 1ST BENEFICIAL CREDIT SERVICES LLC, No. 02-CV-1591 (N.D. Ohio)

Parties: 1st Beneficial Credit Services LLC, d/b/a First Beneficial Credit Services,
First Beneficial Credit Services, Inc., and American Capitol
Platinum Express Benefits LLC
Viktor Golub, a/k/a Victor Golub
Armand Petrov
American Capitol Benefits LLC

Assigned Attorneys: Michael Milgrom (ECR)
Jon Miller Steiger

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/14/02.
TRO with asset freeze entered 8/14/02.
Stipulated preliminary injunction entered 9/9/02.
Amended complaint naming additional defendants: American Capitol
Benefits LLC and Armand Petrov filed 9/23/02.
Motion for TRO against defendants American Capitol Benefits LLC and
Armand Petrov filed 9/26/02.

² Unless otherwise noted, cases involve suits for permanent injunction and other equitable relief. Post-judgment proceedings in district court are not generally reported.

FTC v. 1ST FINANCIAL SOLUTIONS, INC., No. 01-C-8790 (N.D. Ill.)

Parties:	State of Illinois, co-plaintiff 1 st Financial Solutions, Inc. American Benefits Club, Inc. Affinity Marketing & Sales, Inc. Crown Distributors, Inc. Leader Sales Company, Inc. Merchant Services, Inc. Mercury Consulting Services Millennium Sales, Inc. North American Marketing Group, Inc. Regal Products Sales & Distributing Company Rockwell Marketing, Inc. The Fletcher Group, Inc. John F. Boone Michael Cooper Robert C. Morgan
Assigned Attorneys:	John Hallerud (MWR) Katherine Schnack Charles G. Fergus (DOJ) Janice M. Parker
Alleged Conduct:	Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with telemarketing of credit cards.
Status:	Complaint filed 11/14/01. TRO granted 11/19/01. Stipulated preliminary injunction filed 11/28/01; entered 11/29/01. First amended complaint for permanent injunction and other equitable relief filed 2/14/02. Stipulated order for permanent injunction with consumer redress and other equitable relief entered 9/26/02.

FTC v. 564196 B.C. LTD., No. C02-1228Z (W.D. Wash.)

Parties: 564196 B.C. Ltd, d/b/a International Brokers Ltd.
Darren James Danbrook
Clifford Eric Edwards
Iyhab I. S. El-Jabsheh

Assigned Attorney: Mary T. Benfield (NWR)

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 and the
Telemarketing Sales Rule in connection with the telemarketing of foreign
lotteries.

Status: Complaint for injunctive and other equitable relief filed 6/10/02.

FTC v. 9068-8425 QUEBEC, INC., No. 1:02-CV-1128 (N.D.N.Y.)

Parties: 9068-8425 Quebec, Inc., d/b/a Bio Lab, Cellu-Fight, and Quick Slim
Jean-Francois Brochu

Assigned Attorneys: Tawana E. Davis (BCP/AP)
Dean Forbes
Rona Kelner

Alleged Conduct: Deceptive acts or practices and false advertising in connection with the
promotion and sale of a purported weight-loss product and cellulite
treatment product in violation of Section 5(a) and 12 of the FTC Act.

Status: Complaint filed 9/3/02.
Ex parte TRO with asset freeze entered 9/6/02.
Preliminary injunction hearing scheduled to begin 10/11/02.

FTC v. 9094-5486 QUEBEC, No. 01-CV-1872 (TJM RFT) (N.D.N.Y.)

Parties: 9094-5486 Quebec, Inc., d/b/a Consumer Resource Services (CRS)
Robin Gear
Nando R. Caporicci, a/k/a Robert Caporicci

Assigned Attorney: Delores G. Thompson (BCP/MP)

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 and the
Telemarketing Sales Rule in connection with an online and telemarketing
scam.

Status: Complaint for injunction and other equitable relief filed 12/10/01.
TRO granted 12/10/01.
Stipulated preliminary injunction against defendants CRS and Robin Gear
entered 1/25/02.
Preliminary injunction against defendant Caporicci entered 1/25/02.
Motion for default judgment against defendants filed 6/6/02.

FTC v. ACCENT MARKETING, INC., No. 02-405 (S.D. Ala.)

Parties: State of Maryland, co-plaintiff
Accent Marketing, Inc., d/b/a Accent Marketing of Alabama, Inc.
Monarch Vending, Inc.
Vend 1 One, Inc.
John Nolan White a/k/a Nolan White
John Byron White a/k/a Byron White

Assigned Attorneys: Michael Mora (BCP/MP)
Colleen Robbins
Dale Cantone (Asst. Att'y Gen. MD)

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 and the Franchise
Rule in connection with the promotion and sale of vending machine
business ventures.

Status: Complaint filed 6/4/02.
Ex parte TRO entered 6/11/02.
Preliminary injunction hearing held 6/11/02.
Order granting preliminary injunction entered 7/1/02.

FTC v. ACCESS RESOURCE SERVICES, INC., No. 02-60226-Civ-Gold/Simonton (S.D. Fla.)

Parties: Access Resource Services, Inc., d/b/a Aura Communications, Circle of
Light, Mind and Spirit, and Psychic Readers Network
Psychic Readers Network, Inc.
Steven L. Feder
Peter Stolz

Assigned Attorneys: Robert G. Schoshinski (BCP/MP)
Laurie Meehan

Alleged Conduct: Deceptive practices in violation of Section 5 and the Pay-Per-Call Rule in
connection with the sale of “psychic reader” audiotext services.

Status: Complaint for permanent injunction and other equitable relief filed 2/13/02.
Motion for TRO filed 2/13/02.
Stipulated preliminary injunction against all defendants entered 2/20/02.

FTC v. AFFILIATED VENDORS ASSOCIATION, INC., No. 3-02CV-679-D (N.D. Tex.)

Parties: Affiliated Vendors Association, Inc., d/b/a AVA and North American
Business Registry
Maurice Billion
Joyce Billion

Assigned Attorneys: Dana C. Barragate (ECR)
Larissa L. Bungo

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with providing
potential business opportunity investors with purportedly reliable and
independent reports on members’ business practices.

Status: Complaint for injunctive and other equitable relief filed 4/2/02.
Ex parte TRO entered 4/3/02.
Stipulated preliminary injunction entered 4/8/02.
Stipulated final judgment and order entered 7/25/02.

FTC v. AMERICAN CAREER SERVICES, No. 1:02cv00593 (S.D. Ala.)

Parties: American Career Services
Douglas Holcomb

Assigned Attorneys: Angela T. Floyd (BCP/ENF)
Gregory A. Ashe

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
purported employment goods and services to consumers interested in
obtaining jobs with the Postal Service.

Status: Complaint for injunction and other equitable relief filed 8/5/02.
Stipulated final order for permanent injunction and settlement of claims
entered 8/15/02.

FTC v. AMERICA'S SHOPPING NETWORK, INC., No. 02-80540-CIV-HURLEY/LYNCH (S.D.
Fla.)

Parties: America's Shopping Network, Inc.
Consumer Services, Inc.
Karen A. Zagami
Carianne Sica, a/k/a Carrie Sicone
Louis S. Gangi
HME, Inc.
John M. Epstein

Assigned Attorney: Thomas A. Cohn (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the offering
for sale and sale of work-at-home employment opportunities.

Status: Complaint for injunctive and other equitable relief filed 6/11/02.
TRO entered 6/11/02.
Preliminary injunction hearing held 6/19/02 and 6/21/02.
Order granting preliminary injunction in part and dissolving asset freeze and
temporary receivership entered on 7/23/02.
Magistrate's recommendation that Court order the Commission to pay
costs of temporary receiver entered 9/9/02.

FTC v. ASSOCIATED RECORD DISTRIBUTORS, INC., No. 02-CV-21754 (S.D. Fla.)

Parties: Associated Record Distributors, Inc.
Alfredo Susi
Russell Macarthur
David Siegel
Brian Morgenstern

Assigned Attorneys: Elizabeth A. Hone (BCP/MP)
Sarah Anne L. Cutler

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the promotion and sale of audio cassette and compact disc display rack business ventures.

Status: Complaint filed 6/12/02.
Stipulated preliminary injunction as to Associated Record Distributors, Alfredo Susi, and Russell MacArthur entered 6/27/02.

FTC v. AUTOMATED TRANSACTION CORP., No. 01-16917, No. 02-13169 (11th Cir.); No.
00-7599-CIV-HURLEY (S.D. Fla.)

Parties: Automated Transaction Corp.
WWW Provider Co.
Edward S. Lipton
World Telnet, Inc.
Donald Tetro

Assigned Attorneys: Seena D. Gressin (BCP/MP)
Russell S. Deitch
Leslie R. Melman (OGC)

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 in connection with
unauthorized billing of adult-content internet and audiotext services.

Status: Complaint filed 10/25/00.
Ex parte TRO with asset freeze and receiver entered 10/26/00.
Stipulated preliminary injunction filed and entered 11/8/00.
Notice of appeal (No. 01-16917) from orders regarding receivership filed
12/3/01; Order dismissing appeal in part entered 3/23/02;
Commission's brief filed 5/6/02; Defendant's reply brief filed
6/5/02.
Stipulated judgment and order for permanent injunction and other equitable
relief as to Donald Tetro, World Telnet, Inc. entered 1/22/02
Stipulated judgment and order for permanent injunction and other equitable
relief as to Edward S. Lipton, Automated Transaction Corp., and
WWW Provider Co. entered 1/24/02.
Notice of appeal (No. 02-13169) from various orders regarding receiver's
compensation filed 5/24/02.
Order dismissing appeal (No. 02-13169) for want of prosecution entered
8/1/02.

FTC v. BARGAINS AND DEALS MAGAZINE, No. 01-CV-1610P (W.D. Wash.)

Parties: Bargains and Deals Magazine LLC, also d/b/a Keith's Wholesale, Bargains
and Deals Wholesale
Michael P. Casey

Assigned Attorney: Nadine S. Samter (NWR)
Kathryn C. Decker

Alleged Conduct: Deceptive practices in violation of Section 5 and the Mail Order Rule in
connection with the sale of merchandise in its catalogs.

Status: Complaint for permanent injunction and other equitable relief filed 10/11/01.
Motion for TRO with asset freeze and motion for order to show cause
why preliminary injunction should not issue filed 10/11/01; entered
10/11/01.
Stipulated preliminary injunction filed 11/1/01; entered 11/2/01.
Stipulated final judgment and order for permanent injunction entered
6/7/02.

FTC v. BAY AREA BUSINESS COUNCIL, INC., No. 02C-5762 (N.D. Ill.)

Parties: Bay Area Business Council, Inc.
Bay Area Business Council Customer Service Corp.
American Leisure Card Corp.
Peter J. Porcelli, II
Christopher Tomasulo
Bonnie A. Harris

Assigned Attorneys: David A. O'Toole (MWR)
Guy G. Ward

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/13/02.
TRO entered 8/14/02.
Orders extending TRO entered 8/21/02; 8/26/02; 9/11/02.
Preliminary injunction hearing scheduled for 10/2/02.

FTC v. BIOPULSE INT'L, INC., No. 3:02-cv-03511 (N.D. Cal.)

Parties: Biopulse International, Inc.
Biopulse, Inc.
Jonathan Neville
Loran Swenson

Assigned Attorneys: Laura Fremont (WR-SF)
David M. Newman

Alleged Conduct: Deceptive acts and practices in violation of Section 5 in connection with
the offering and sale of clinical therapies.

Status: Complaint for permanent injunction and other equitable relief filed 7/23/02.
Stipulated final judgment and order as to Jonathan Neville entered 8/16/02.
Stipulated final judgment and order as to Biopulse International, Inc.,
Biopulse, Inc., and Loran Swenson entered 8/16/02.

FTC v. BTV INDUSTRIES, No. CVS 02-0437 LRH-PAL (D. Nev.)

Parties: BTV Industries
Rik Covell
Adam Lewis
National Communications Team, Inc.
LO/AD Communications Corp.
Nicholas Loader

Assigned Attorneys: David C. Fix (BCP/MP)
Renard C. Francois

Alleged Conduct: Deceptive practices in violation of Section 5 and the Pay-Per-Call Rule in connection with the operation of a videotext/spam program.

Status: Complaint for permanent injunction and other equitable relief filed 3/28/02.
Ex parte TRO entered 4/16/02.
Order extending TRO entered 5/1/02.
Motion to dismiss for lack of personal jurisdiction as to defendants Adam Lewis and Rik Covell filed 5/24/02.
Defendant BTV Industries' motion to dismiss Counts IV and V filed 5/24/02.
Order extending TRO entered 5/25/02.
Defendants' response to motion for preliminary injunction filed 6/4/02.
Order extending TRO entered 6/10/02.
Defendant BTV Industries' motion for partial summary judgment filed 6/17/02.
Commission's opposition to BTV Industries' motion to dismiss Counts IV and V filed 6/18/02.
Order extending TRO entered 7/22/02.
Motion to extend TRO and vacate preliminary injunction hearing filed 8/13/02; granted 8/14/02.

FTC v. CANADA PREPAID LEGAL SERVICES, INC., No. C00-2080 Z (W.D. Wash.)

Parties: Canada Prepaid Legal Services, Inc., d/b/a BSI Premium Bonds
David John Edwin Hyde
Joseph Shawn Proulx
E.R.S. Holdings Ltd.
Neil John Schuler
ITH Enterprises Ltd.
Kailey Lewis Babuin
NAGG Holdings Ltd.
Wayne Weis
Timothy Ryan Babuin
557631 B.C. Ltd., d/b/a Guaranteed Capital Holdings
Fernando Villagran
Calgary Concrete and Home Improvement Corp., d/b/a Union Global
Trading
Martin Roy Lamb

Assigned Attorneys: Mary T. Benfield (NWR)
Charles Harwood
Eleanor Durham

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 and the
Telemarketing Sales Rule in connection with the sale of savings bonds.

Status: Complaint filed and ex parte TRO with asset freeze and receiver entered
12/11/00.
TRO extended as to eight defendants, 12/21/00.
Preliminary injunction as to four defendants entered 12/29/00.
Preliminary injunction as to eight other defendants entered 1/19/01.
Motion to amend preliminary injunctions filed 2/20/01; granted 3/27/01.
Answer by defendant Wayne Weiss filed 3/31/01.
Answer by defendant Neil Schuler filed 5/24/01.
Request for entry of default as to David Hyde; ERS Holdings, Ltd.; ITH
Enterprises, Ltd.; NAGG Holdings, Ltd.; Fernando Villagran;
Guaranteed Capital Holdings; Martin Lamb; and Union Global
Trading filed 6/19/01.
Order for entry of default to above-mentioned defendants entered 6/26/01.
Default as to Kailey Babuin entered 11/19/01.
Default judgment and order for permanent injunction as to all defendants
listed in request for entry of default and Kailey Babuin entered
2/15/02.
Motion for summary judgment as to Timothy Babuin filed 2/15/02.
Stipulated order for permanent injunction and other equitable relief as to
Wayne Weis filed 6/3/02; entered 6/5/02.

Stipulated order for permanent injunction and other equitable relief as to
Neil Schuler filed 6/3/02; entered 6/5/02.
Stipulated order for permanent injunction and other equitable relief as to
defendants Joseph Shawn Prolux and Canada Prepaid Legal
Services, Inc. entered 8/29/02.

FTC v. CAPITAL CHOICE CONSUMER CREDIT, INC., No. 02-21050-CIV-Ungaro-Benages
(S.D. Fla.)

Parties: Capital Choice Consumer Credit, Inc., d/b/a National Credit Shopper and
NCS
Millennium Communications and Fulfillment, Inc., d/b/a National Research
Group
E-Credit Solutions, Inc.
Zentel Enterprises, Inc.
Ecommex Corporation
Hartford Auto Club, Inc.
Ricardo E. Martinez
Scott A. Burley
Johnnie Smith
Wilfredo Lugo

Assigned Attorneys: Brinley H. Williams (ECR)
Michael Milgrom
Brenda W. Doubrava
Michael B. Rose

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the marketing and sale of advance-fee credit cards.

Status: Complaint for injunctive and other equitable relief filed 4/8/02.
TRO entered 4/9/02; served 4/22/02.
Amended complaint for injunctive and other equitable relief in order to add
defendant Ecommex, Corp. filed 4/22/02.
Stipulated preliminary injunction as to defendants Scott Burley and E-Credit
Solutions entered 4/22/02.
Preliminary injunction hearing held for remaining defendants on 4/19/02
and 4/22/02.
Consent agreement for preliminary injunctive relief as to Exommex Corp.,
Millennium Communications, Capital Choice Consumer Credit, Inc.,
and Ricardo Martinez entered 4/23/02.
Second amended complaint, adding Johnnie Smith, Wilfredo Lugo, and
Zentel Enterprises as additional defendants filed 8/8/02.
Evidentiary hearing reset for 10/16/02.
Jury trial set for 3/24/03.

FTC v. CAPITAL CITY MORTGAGE CORP., Civ. No. 98-237 (D.D.C.)

Parties: Capital City Mortgage Corp.
Eric J. Sanne
Thomas K. Nash

Assigned Attorneys: Bradley H. Blower (BCP/FP)
Sandra M. Wilmore
Alain H. Sheer
Amy Quester

Alleged Conduct: Violations of Section 5, the Truth in Lending Act, the Fair Debt Collection Practices Act, and the Equal Credit Opportunity Act by “subprime” mortgage lender.

Status: Complaint filed 1/28/98.
Defendants’ motion for summary judgment denied 7/13/98.
Defendants’ motion for protective order limiting discovery denied 8/28/98.
Amended complaint adding defendant filed 3/11/99.
Separate motions for partial summary judgment filed by the Commission and the defendants, 1/21/00.
Commission’s motion for partial summary judgment granted in part, denied in part, 10/10/00.
Trial originally scheduled for 4/6/02 postponed after the death of defendant Thomas K. Nash. No new trial date set.
Motion to file a second amended complaint to add relief defendants necessitated by the death of defendant Nash filed 4/17/02.
Temporary asset freeze against Capital City Mortgage Corp. issued 4/26/02.

FTC v. CERTIFIED MERCHANT SERVICES, LTD., No.4:02 CV 44 (E.D. Tex.)

Parties: Certified Merchant Services, Ltd., d/b/a/ Certified Merchant Services;
TMS; CMS, Inc.; Transaction Merchant Services; Transaction
Merchant Services.Com, and Electrocheck
Certified Merchant GP, Inc., d/b/a Certified Merchant Services
Certified Merchant Services, Inc., d/b/a Certified Merchant Services; TMS;
CMS, Inc.; Transaction Merchant Services; Transaction Merchant
Services.Com; Electrocheck
CMS-LP, LLC
Jonathan Frankel
Craig Frankel
Randal A. Best

Assigned Attorneys: Douglas V. Wolfe (BCP/MP)
Michael J. Davis

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of, and debiting for, merchant accounts, and associated
services.

Status: Complaint for injunctive and other equitable relief filed 2/11/02.
TRO entered 2/12/02.
Stipulated preliminary injunctions, including asset freeze and appointment
of receiver, entered 3/6/02.
Amended complaint for injunctive and other equitable relief filed 6/14/02.

FTC v. CHIVERS, No. 3-02CV1727-G (N.D. Tex.)

Party: Brent Chivers, d/b/a Credit Card Services and Destyni Enterprises

Assigned Attorneys: Gary D. Kennedy (SWR)
W. David Griggs

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/14/02.
TRO entered 8/14/02.
Stipulated preliminary injunction entered 8/19/02.

FTC v. CITIGROUP INC., No. 1:01-cv-606-JTC (N.D. Ga.)

Parties: Citigroup Inc.
Citifinancial Credit Company
Associates First Capital Corporation
Associates Corporation of North America

Assigned Attorneys: Lucy E. Morris (BCP/FP)
Ricardo A. Gonzalez
Robert Kaye
Karen Schaefer
Monica Vaca
Valerie M. Verduce (SER)

Alleged Conduct: Deceptive or unfair practices in violation of Section 5, and violation of the Truth in Lending Act, the Equal Credit Opportunity Act, and the Fair Credit Reporting Act in connection with subprime lending activities.

Status: Complaint filed 3/6/01.
Defendants' motion to dismiss filed 4/16/01.
Commission's opposition to motion to dismiss filed 5/16/01.
Joint preliminary statement and discovery schedule filed 5/16/01.
Commission's response to initial disclosure filed 7/5/01.
Defendants' responses to initial disclosures filed 7/6/01.
Order denying defendants' motion to dismiss entered 12/27/01.
Defendants' answer filed 1/14/02.
Joint stipulated protective order entered 3/20/02.
Order preliminarily approving stipulated final judgment and order requiring defendants to pay \$215 million in consumer redress entered 9/23/02.

FTC v. COMSTAR COMMUNICATIONS, INC., No. CIV-S-02-0348 MCE-JFM (E.D. Cal.)

Parties: Comstar Communications, Inc., a/k/a Communications 2000
Randall A. Carasco

Assigned Attorneys: Daniel Kaufman (BCP/AP)
Serena Viswanathan
Edmund Brennan (AUSA)

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the sale of cellular phone electromagnetic radiation protector patches.

Status: Complaint for permanent injunction and other equitable relief filed 2/13/02.

FTC v. CONSUMER ALLIANCE, INC., No. 02C-2429 (N.D. Ill.)

Parties: Consumer Alliance, Inc., a/k/a 1421914 Ontario Inc.
Biosource Financial, Inc.
Steven Winter
Gordon Levoy
Jason C. Williams
Danny Longo

Assigned Attorney: David A. O'Toole (MWR)

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of advance fee credit card services and credit card protection services.

Status: Complaint for injunctive and other equitable relief filed 4/2/02.
Discovery cutoff set for 12/20/02.

FTC v. CORPORATE MARKETING SOLUTIONS, INC., No. 02-1256 (D. Ariz.)

Parties: Corporate Marketing Solutions, Inc.
Corporate Industries, Inc.
ATM Machine Wrap, Inc.
Direct Wireless +, Inc.
Bankcard Recovery Services, Inc.
National Consolidation Foundation, Inc.
Sierra Management Properties, Inc.
Harvey Sloniker, d/b/a Corporate Marketing Services
Tye Sloniker, d/b/a Corporate Marketing Services

Assigned Attorneys: David R. Spiegel (BCP/MP)
Peter W. Lamberton
Michelle Chua
Markus Heyder

Alleged Conduct: Deceptive acts or practices in violation of Section 5, the Telemarketing Sales Rule, and the Gramm-Leach-Bliley Act in connection with the offering for sale and sale of various telemarketing operations.

Status: Complaint for injunctive and other equitable relief filed 7/8/02.
TRO entered 7/8/02.
Preliminary injunction entered 7/23/02.

FTC v. CREDIT ENHANCEMENT SERVICES, LLC, No. CV-02-2134 (E.D.N.Y.)

Parties: Credit Enhancement Services, LLC
Liberty Benefits, LLC
Broadway Management, LLC
Check Fee, LLC, a/k/a Titanium Blue
Port of Call Centers, LLC
Port of Call Centers NY, LLC
Frederick J. Dick, Jr.

Assigned Attorney: Michele Stolls (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing and sale of advance fee credit cards.

Status: Complaint for injunctive and other equitable relief filed 4/9/02.
Stipulated preliminary injunction order, containing an asset freeze provision, entered 5/29/02.
Motion to amend complaint filed 8/29/02; granted 10/1/02.

Parties: Cyberspace.com, LLC
French Dreams
Coto Settlement
Electronic Publishing Ventures
Olympic Telecommunications, Inc.
Ian Eisenberg
Chris Hebard

Assigned Attorneys: Collot Guerard (BCP/MP)
Michael Goodman

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of Internet services.

Status: Complaint filed 10/20/00.
Stipulated permanent injunction as to defendants Ian Eisenberg, French Dreams, and Olympic Telecommunications filed 10/10/00; entered 10/23/00.
Stipulated permanent injunction as to defendants Chris Hebard and Coto Settlement filed 10/20/00; entered 10/23/00.
Plaintiff's application for entry of default as to Cyberspace.com, LLC and as to Electronic Publishing Ventures, LLC filed 12/18/00.
Orders of default entered against Cyberspace.com, LLC, and Electronic Publishing Ventures, LLC entered 12/21/00.
Answers of defendants C. Hebard and Coto Settlement filed 3/26/01.
Answers and cross-complaint (against C. Hebard and Coto Settlement) of defendants French Dreams, Olympic Telecommunications, Inc., and Ian Eisenberg, filed 3/29/01.
Commission's motion to dismiss debtor EPV's related Chapter 11 bankruptcy case filed 3/29/01.
Notice of withdrawal of disclosure statement by debtor EPV in related Chapter 11 bankruptcy case filed 4/3/01.
Commission's motion to strike affirmative defenses of French Dreams, Olympic Telecommunications and Ian Eisenberg and, separately, to strike those of Coto Settlement and Chris Hebard filed 4/17/01.
Order granting in part and denying in part motions to strike affirmative defenses of Coto Settlement and Chris Hebard and of Ian Eisenberg, Olympic Telecommunications and French Dreams entered 5/30/01.
Order dismissing EPV's related Chapter 11 bankruptcy case entered 6/6/01.
Order granting plaintiff's motion for summary judgment as to liability, and denying plaintiff's motion for summary judgment as to damages

and defendants' motions for summary judgment entered 7/10/02.

FTC v. D&C NATIONAL HOLDINGS LTD., No. CV02-1134 (W.D. Wash.)

Parties:	D&C National Holdings Ltd. First British National Holdings Ltd. Omid Tahvili Derrick Squires Reginald Pal
Assigned Attorney:	Joseph A. Lipinsky (NWR)
Alleged Conduct:	Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of foreign lotteries and British bonds.
Status:	Complaint for injunctive and other equitable relief filed 5/23/02. TRO entered 5/24/02.

FTC v. DAVISON & ASSOCIATES, INC., No. 97-1278 (W.D. Pa.)

Parties: Davison & Associates, Inc. George M. Davison III
Thomas Dowler Gordon M. Davison
Manufacturer's Support Services, Inc. Barbara Davison
Barbara Miele

Assigned Attorneys: Steven W. Balster (ECR)
Michael Milgrom
Brenda W. Doubrava
Albert W. Schollaert (AUSA)

Alleged Conduct: Deceptive practices in the sale of invention-promotion services.

Status: Complaint filed 7/15/97.
TRO, including asset freeze and appointment of receiver, entered 7/15/97;
extended by agreement.
Amended complaint adding defendants filed 3/23/98.
Stipulated permanent injunction as to defendant Dowler entered 2/22/99.
Commission motion for summary judgment filed 4/5/99.
Defendants' opposition to summary judgment filed 6/1/99.
Commission reply to defendants' opposition to summary judgment filed
6/17/99.
Hearing on summary judgment motion held 8/4/99.
Commission's motion for preliminary injunction filed 4/3/01.
Defendants' response filed 4/25/01.
Commission's reply filed 5/4/01.
Defendants' reply filed 5/21/01.

FTC v. EFFICIENT TELESales SERVICES INC., No. 02C 3776 (N.D. Ill.)

Parties: Efficient Telesales Services Inc., d/b/a U.S. Credit Services and U.S.
Direct Benefits and Savings
Leonora Khan

Assigned Attorneys: Karen D. Dodge (MWR)
John C. Hallerud

Alleged Conduct: Violations of Section 5 and the Telemarketing Sales Rule in connection with
the advance fee promotion of credit cards.

Status: Complaint for permanent injunction and other equitable relief filed 5/28/02.

FTC v. ELECTRONIC MEDICAL BILLING, INC., No. CV SA02-368 AHS (ANX) (C.D. Cal.)

Parties: Electronic Medical Billing, Inc., d/b/a EMB Marketing and EMB Inc.
Esoft Caducei, Inc.
John C. Moore
David L. Miller

Assigned Attorneys: Kathryn C. Decker (NWR)
Julie Brof
Raymond McKown (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of work-at-home medical billing opportunities.

Status: Complaint for injunctive and other equitable relief filed 4/9/02.
Ex parte TRO, appointment of receiver, and asset freeze entered 4/10/02.
Order extending TRO indefinitely per parties' stipulation entered 4/18/02.
Asset freeze lifted per parties' stipulation entered 6/10/02.
Stipulated preliminary injunction entered 9/25/02.

FTC v. ELECTRONIC PROCESSING SERVICES, INC., No. CV-S-02-0500-LRH-RJJ (D. Nev.)

Parties: Electronic Processing Services, Inc.
David Stewart

Assigned Attorneys: Janice L. Charter (WR-SF)
Jerome M. Steiner, Jr.
Blaine T. Welsh (AUSA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale and marketing of a medical billing work-at-home scheme.

Status: Complaint for injunctive and other equitable relief filed 4/8/02.
TRO entered 4/11/02.
Stipulated preliminary injunction entered 5/17/02.
Stipulated final judgment and order for permanent injunction and other equitable relief filed 9/27/02; entered 9/30/02.

FTC v. ELECTRONIC PRODUCTS DISTRIBUTION, LLC, No. 02CV0888H (AJB) (S.D. Cal.)

Parties: Electronic Products Distribution, LLC
 Thomas Nelson
 Holly Hernandez
 Energizer Products, Inc.
 Ab Energizer, L.L.C.
 AbFlex USA, Inc.
 Martin Van Der Hoeven

Assigned Attorneys: Walter Gross (BCP/ENF)
 Laureen Kapin
 Robert Sussman
 Elena Paoli
 Robin Spector
 Amy Lloyd
 Joshua Millard

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale and
 promotion of an electronic abdominal exercise belt, AB Energizer.

Status: Complaint filed 5/7/02.
 Answers for all defendants filed 6/3/02.
 Pre-trial conference scheduled for 12/8/03.

FTC v. ENFORMA NATURAL PRODUCTS, INC., No. 00-56942 (9th Cir.); No. 00-04376
JSL (CWx) (C.D. Cal.)

Parties: Enforma Natural Products, Inc.
Andrew Grey
Fred Zinos

Assigned Attorneys: David P. Frankel (BCP/AP)
Theodore H. Hoppock
Serena Viswanathan
Barbara Chun (WR-LA)
Marilyn E. Kerst (OGC)

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the marketing and sale of weight loss products.

Status: Complaint filed 4/25/00.
Stipulated final judgment as to defendant Zinos filed 4/25/00; entered 5/10/00.
Stipulated final judgment as to defendants Enforma and Grey (including consumer redress of \$10 million) filed 4/25/00; entered 5/11/00.
Corporate defendant's motion to clarify or modify stipulated final judgment filed 10/23/00.
Opposition filed 11/6/00.
Reply filed 11/13/00.
Motion to clarify or modify denied 11/15/00.
Notice of appeal by defendant Enforma Natural Products, Inc. filed 11/19/00.
Emergency motion in court of appeals for stay pending appeal filed 11/20/00.
Opposition filed 11/30/00.
Motion for stay denied 12/7/00.
Application to have defendant Enforma and others held in contempt for violation of stipulated final judgment, filed 1/4/02.
Lower court decision denying motion to clarify or modify final judgment affirmed by court of appeals, 2/12/02.
Second contempt application against defendants Enforma Natural Products, Inc. and Andrew Grey and respondents Twenty-Four Seven, LLC and Donna DiFerdinando filed 7/23/02.

FTC v. ESSEX MARKETING GROUP, INC., No. 02-CV-3415 (E.D.N.Y.)

Parties: Essex Marketing Group, Inc.
Westbrook Marketing Group, Inc.
Westbrook Marketing Associates, LLC
Manhattan Vending, LLC
Richard J. Guadagno, a/k/a Rich Dano, Rich Guadano and Richard
Guadagno
Jack G. Schwartz
Henry Sanchez

Assigned Attorneys: Ann F. Weintraub (NER)
Ronald L. Waldman

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in
connection with the offering and sale of vending machine business
ventures.

Status: Complaint for injunctive and other equitable relief filed 6/13/02.
Order that case be put under seal entered 6/14/02.
Stipulated TRO against all parties except Schwartz entered 6/27/02.
Stipulated TRO against Schwartz entered 7/17/02.
Seal lifted 10/11/02.

FTC v. FARPOINT SERVICES, No. 01-CV-1593 (W.D. Wash.)

Parties:	Farpoint Services Int'l, Ltd. Garrison Corporation, Inc. American Card Services SA Hyperion, LLC Consolidated Group of Companies, LLC Roberta Galway, a/k/a Robin Galway Robin Arcand Philip Arcand
Assigned Attorneys:	Eleanor Durham (NWR) Mary Benfield
Alleged Conduct:	Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the sale of credit card loss protection services and credit card laundering.
Status:	Complaint for injunctive and other equitable relief filed 10/9/01. Ex parte TRO entered 10/9/01. Stipulated permanent injunction and final judgment entered 9/9/02.

FTC v. FIRST ALLIANCE MORTGAGE COMPANY, No. SACV-00-964 DOC (EEEx)
(C.D. Cal.)

Parties: First Alliance Mortgage Company
First Alliance Corporation
Brian Chisick
Sarah Chisick

Assigned Attorneys: John A. Krebs (BCP/FP)
Anne McCormick
Jeanne-Marie Raymond
Eric Imperial
Ramona Elliot (BCP/PI)
Marilyn E. Kerst (OGC)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Truth in Lending Act
in connection with the marketing and sale of home equity loans.

Status: Complaint filed 10/3/00.
Bankruptcy judge in parallel proceedings preliminarily stayed Commission
action for 180 days on basis of bankruptcy automatic stay, by
order entered 11/13/00.
Appeal of stay to district court filed 12/14/00.
Commission's brief filed 2/13/01.
Appellees' brief filed 3/12/01.
Commission's reply brief filed 3/22/01.
Argument held 4/2/01-4/3/01.
District court reverses bankruptcy court's ruling, 4/23/01.
Amended complaint for permanent injunctive and other equitable relief
adding Brian Chisick as defendant filed 8/14/01.
Amended complaint for permanent injunctive and other equitable relief filed
11/27/01.
Order preliminarily approving stipulation of settlement entered 4/25/02.
Final approval hearing on settlement held 9/9/02.
Final judgment approving the class action settlement entered 9/11/02.
Order confirming debtor's bankruptcy plan of liquidation which
implements the settlement agreement entered 9/11/02.

FTC v. FIRST CAPITAL CONSUMER MEMBERSHIP SERVICES, INC., No. 1:00cv00905
(W.D.N.Y)

Parties: First Capital Consumer Membership Services, Inc.
Worldwide Telcom, Inc.
Louis Giambrone
Charles A. Barone
Forum Marketing Services, Inc.
Edward Velasquez, Jr., a/k/a Edward Velasquez
William John Velasquez
Qualycon of New York, Inc.
EPX (Intervenor)

Assigned Attorneys: Peter W. Lamberton (BCP/MP)
Michael Goodman

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the sale of credit card loss protection services.

Status: Complaint filed 10/23/00.
Ex parte TRO with asset freeze and receiver entered 10/25/00.
Stipulated preliminary injunction entered 11/8/00.
Motion to lift amended TRO filed 11/16/00.
Answer to Complaint by First Capital Inc., Worldwide Telcom Inc, Louis Giambrone, Charles A. Barone filed 11/27/00.
Response by the Commission to motion to lift amended TRO filed 11/27/00.
Motion by the Commission to consolidate cases 00-cv-905 and 00-cv-917 filed 5/16/01.
Order directing clerk to close 00-cv-917 and that all future docketing take place in 00-cv-905 entered 5/30/01.
Amended complaint filed 5/31/01.
Motion to intervene by EPX filed 6/7/01.
Commission's opposition to EPX's motion for intervention filed 7/13/01.
EPX's reply memo of law in support of its motion for intervention filed 8/6/01.
Stipulated judgment for permanent injunction as to First Capital, Worldwide Telcom, Charles Barone, and Louis Giambrone entered 1/10/02.

FTC v. FREECOM COMMUNICATIONS, INC., No. 2:96CV492 (D. Utah)

Parties: FreeCom Communications, Inc.
American Home Business Association, Inc.
Financial Freedom Report, Inc. Dana P. Gull
Silent Salesforce, Inc. Eleva, Inc.
FFR Marketing, Inc. Mark O. Haroldsen
Robert V. Brazell Don S. Gull
Kelly Haroldsen Annette S. Brazell

Assigned Attorneys: David Newman (WR-SF)
Janice Charter
Larence DeMille-Wagman (OGC)

Alleged Conduct: Deceptive practices in the sale of home-based business ventures.

Status: Complaint filed 6/4/96; stipulated TRO entered 6/14/96.
Motion to dismiss denied 4/21/98.
Consent decree and permanent injunction as to Brazell defendants entered
12/28/98.
Stipulated final judgment as to Haroldsen filed 8/10/99; entered 8/11/99.
Order reassigning the case to another judge entered 12/7/99.
Consent decree as to defendant American Home Business Association filed
9/7/00; entered 9/12/00.
Consent decree and order for preliminary injunction with respect to
defendants FreeCom Communications Inc., Freedom Report, Inc.,
Financial Freedom Report Marketing, Inc. and Silent Salesforce,
Inc. filed 10/22/01; entered 10/22/01.
Trial held 10/22/01 through 10/30/01.
Defendant's proposed findings and conclusions adopted, with
amendments, 10/30/01.
Judgment for defendant Haroldsen and against the Commission entered
2/12/02.
Commission's motion to amend judgment and amend findings of fact and
conclusions of law filed 2/25/02.
Amended judgment entered 3/13/02.
Defendant Brazell's motion for relief from consent decree filed 4/23/02.
Opposition to motion for relief from consent decree filed 5/7/02.
Reply memorandum in support of motion for relief from consent decree
filed 5/20/02.
Order denying motion for relief from consent decree entered 7/16/02.
Hearing on defendant Haroldsen's motion for attorney's fees held 9/12/02.

FTC v. GARVEY, No. 00-9358 GAF (CWx) (C.D. Cal.)

Parties: Steven Patrick Garvey, a/k/a Steve Garvey
Garvey Management Group, Inc.
Lark Kendall, a/k/a Kendall Carson
Mark Levine
Modern Interactive Technology, Inc.
David Richmond

Assigned Attorneys: David P. Frankel (BCP/AP)
Theodore H. Hoppock
Serena Viswanathan

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of a weight loss product.

Status: Complaint filed 8/31/00.
Stipulated final judgment as to defendant Kendall filed 8/31/00; entered
11/15/00.
Order reassigning case to a new judge entered 9/25/00.
Defendants' motion to dismiss filed 10/13/00; denied 11/15/00.
Opposition filed 11/6/00.
Reply filed 11/13/00.
Defendants' answers to complaint filed 12/15/00.
Motion to strike defendants' affirmative defense against the Commission
filed 1/4/01; granted 4/24/01.
Commission's motion for partial summary judgment as to defendants
Modern Interactive, Mark Levine and David Richmond filed 6/1/01;
denied as moot 8/14/01.
Defendants' motion for summary judgment as to all defendants filed
7/2/01; granted 8/13/01 as to defendants Modern Interactive, Mark
Levine and David Richmond; denied 8/13/01 as to Steve Garvey
and Garvey Management.
Commission's motion for reconsideration filed 8/24/01; denied 9/19/01.
Defendants' motion for summary judgment as to Steve Garvey and Garvey
Management filed 10/1/01; denied 11/8/01.
Trial held 3/5/02 through 3/8/02.
Closing arguments scheduled for 10/22/02.

FTC v. GENERAL SUPPLY CENTERS, INC., No. 99-12827 MMM (RZx) (C.D. Cal.)

Parties: General Supply Centers, Inc.
Mark E. Gershick

Assigned Attorneys: Gerald E. Wright (WR-SF)
Raymond E. McKown (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the sale of nondurable office supplies.

Status: Complaint filed and TRO with asset freeze entered 12/7/99.
Stipulated preliminary injunction filed and entered 12/20/99.

FTC v. GILL, Nos. 00-55122 (v. Gill), 00-55123 (v. Murkey), 01-56663 (v. CRCA), 01-56650 (v. Murkey) (9th Cir); No. CV-98-1436 LGB (Mcx) (C.D. Cal.) (v. Gill)

Parties: Keith H. Gill, d/b/a Law Offices of Keith Gill
Richard Murkey
Credit Restoration Corporation of America (“CRCA”), party to appeal of contempt order only

Assigned Attorneys: Jennifer Larabee (WR-LA)
John D. Jacobs
Marilyn E. Kerst (OGC)

Alleged Conduct: Deceptive practices in the sale of credit repair services.

Status: Complaint filed 3/2/98.
Stipulated preliminary injunction filed 4/21/98.
Motion for summary judgment filed 8/30/99.
Order granting Commission’s motion for summary judgment entered 11/4/99.
Notice of appeal (No. 00-55122) filed by Gill, 12/29/99.
Notice of appeal (No. 00-55123) filed by Murkey, 1/3/00.
Appellant Murkey’s opening brief filed 6/7/00.
Appellant Gill’s opening brief filed 6/8/00.
Commission’s brief filed 8/10/00.
Murkey’s reply brief filed 9/13/00.
Gill’s reply brief filed 9/18/00.
Motion in district court for order to show cause why defendants should not be held in civil contempt filed 5/14/01.
Order to show cause including appointment of temporary receiver, imposition of asset freeze and TRO entered 6/5/01.
Hearing on order to show cause and request for preliminary injunction held 6/25/01.
Ninth Circuit oral argument held 7/10/01.
Order holding defendants and CRCA in contempt of 11/4/99 final order and ordering sanctions entered by district court 7/16/01.
Ninth Circuit decision affirming district court’s summary judgment order entered 9/12/01.
Notice of appeal of 7/16/01 contempt order (No. 01-56650) filed by Murkey, 9/25/01.
Notice of appeal of 7/16/01 contempt order (No. 01-56663) filed by CRCA, 9/26/01.
Order dismissing case no. 01-56650 for failure to prosecute entered 6/19/02.
Order dismissing case no. 01-56663 for failure to prosecute entered 7/2/02.

FTC v. GOLD, No. 99-56504 (9th Cir.); No. CV 99-2895-WDK (AIJx) (C.D. Cal.)

Parties: Mitchell D. Gold Patricia Cooley Gold
Herbert Gold Celia Gold
Jonathan Philip Cohen Steven John Chinarian
U.S. Marketing, Inc.
North American Charitable Services, Inc.

Assigned Attorneys: Tracy S. Thorleifson (NWR)
Maxine Stansell
Monica Tait (WR-LA)
Leslie R. Melman (OGC)

Alleged Conduct: Making false and deceptive claims in violation of Section 5 in soliciting charitable donations.

Status: Complaint filed 11/9/98.
Stipulated preliminary injunction entered 11/25/98.
Motion for contempt of the preliminary injunction filed 2/18/99.
Hearing on contempt motion, 5/10/99.
Defendants M. Gold and North American Charitable Services filed for
bankruptcy 5/10/99; North American Charitable Services’
bankruptcy petition dismissed 6/9/99; adversary complaint filed by
the Commission in response to M. Gold’s bankruptcy petition,
8/2/99.
Modified stipulated preliminary injunction resolving the motion for
contempt filed 7/16/99; entered 7/29/99.
Notice of appeal of modified preliminary injunction filed by defendants,
8/16/99.
Appeal dismissed by order entered 12/29/99 for failure to prosecute.
Commission’s motion for summary judgment, or in the alternative,
summary adjudication, filed 6/19/00.
Oppositions filed 9/18/00.
Reply filed 10/6/00.
Defendants’ motion for judgment on the pleadings and motion to dismiss
filed 10/30/00.
Modified preliminary injunction filed 11/3/00; entered 11/16/00.
Commission’s oppositions to defendants’ motions filed 11/6/00.
Defendants’ reply briefs in support of motion for judgment on the
pleadings filed 11/13/00.
Order denying defendants’ motion to dismiss and motion for judgment on
the pleadings, and denying Commissions’ motion for summary
judgment, entered 12/13/00.
Jury trial reset for 3/25/03

FTC v. GRANT SEARCH, INC., No. 2:02-04174-NKL (W.D. Mo.)

Parties: Grant Search, Inc.
Steven G. Levine
Scott Stettinichs
Grant Pac, Inc.
Sunday R. Levine

Assigned Attorneys: Mary T. Benfield (NWR)
Nadine S. Samter

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing, offering for sale, and sale of a grant search service.

Status: Complaint filed 8/15/02.
Ex parte TRO with asset freeze granted 8/15/02.
Stipulated preliminary injunction entered 9/5/02.

FTC v. HAFIZ, No. CV 00 6884 (E.D.N.Y.)

Parties: Ahamad A.H. Hafiz, a/k/a Ahamad Ahhafiz, Ali Hafiz
Dhanmatie Kashem, a/k/a Dhanmatie Nazar

Assigned Attorney: Robin E. Eichen (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Mail or Telephone Order Merchandise Rule, in connection with the sale of computer software and electronics over the Internet.

Status: Complaint filed 10/25/00. Ex parte TRO entered 10/27/00.
TRO extended pending service by publication.
Service rendered to Dhanmatie Kashem personally, completed 2/22/01.
Service by publication pursuant to court order permitting such service for Ahamad Hafiz, completed 3/15/01.
Motion for default judgment against defendant Hafiz filed 1/3/02.
Default judgment against defendant Hafiz entered 1/10/02.

FTC v. HEALTHCARE CLAIMS NETWORK, INC., No. 2:02 CV 4569 (C.D. Cal.)

Parties: Healthcare Claims Network, Inc., d/b/a Med Data Solutions, Southern
California Billing Services, Medical Claims Network, and Probillers
Charles G. Lloyd, d/b/a Med Data Solutions
Anne Miller, d/b/a Med Data Solutions

Assigned Attorneys: Katherine R. Schnack (MWR)
Therese L. Tully
Faye C. Barnouw (WR-LA)

Alleged Conduct: Deceptive acts and practices in violation of Section 5 in connection with
the offering for sale and sale of medical billing business opportunities.

Status: Complaint for injunctive and other equitable relief filed 6/11/02.
TRO granted 6/14/02.
Stipulated preliminary injunction filed 7/9/02.

FTC v. HOLLOWAY, No. 3:02-CV-343-J-20-TEM (M.D. Fla.)

Parties: Thomas Gregg Holloway
First Freedom Financial Corp.
Southern Telmark Corp.

Assigned Attorney: Ronald E. Laitsch (SER)

Alleged Conduct: Unfair and deceptive acts and practices in violation of Section 5 and the
Telemarketing Sales Rule in connection with the marketing and sale of
advance fee credit cards.

Status: Complaint for injunctive and other equitable relief filed 4/12/02.
Stipulated preliminary injunction entered 5/8/02.

FTC v. HOWARD, No. SA02CA0344 (W.D. Tex.)

Party: Terrance Maurice Howard, d/b/a True Techniques and Absolute Mailers

Assigned Attorneys: Gary D. Kennedy (SWR)
Susan E. Arthur

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of work-at-home opportunities.

Status: Complaint for injunctive and other equitable relief filed 4/4/02.
TRO entered 4/4/02.
Stipulated final judgment and order for permanent injunction and monetary relief entered 9/9/02.

FTC v. HUDSON BERKLEY CORPORATION, No. CV-S-02-0649-PMP-RJJ (D. Nev.)

Parties: Hudson Berkley Corporation
Bismarck Labs Corporation
TMI Tricom Marketing, Inc.
CCI CAD CAM Industries Ltd, Inc.
Matthias Granic
Bernd Ebert

Assigned Attorneys: Keith Fentonmiller (BCP/AP)
Edward Glennon
Kial Young

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale and promotion of an electronic abdominal exercise belt, AbTronic.

Status: Complaint filed 5/7/02.
Preliminary injunction as to defendant CCI CAD CAM Industries, Ltd., Inc. entered 7/5/02.
Preliminary injunction hearing as to defendants Hudson Berkley Corporation, Matthias Granic, Bismarck Labs Corporation, TMI Tricom Marketing, Inc., and Bernd Ebert held 7/9/02.
Order denying preliminary injunction as to defendants Hudson Berkley Corporation, Matthias Granic, Bismarck Labs Corporation, TMI Tricom Marketing, Inc., and Bernd Ebert entered 7/11/02.

FTC v. ICON AMERICA, INC., No. 2:01-CV-320 (D. Vt.)

Parties: Icon America, Inc.
9066-3451 Quebec Inc., d/b/a Sierra Enterprises, Inc.
Mete Suatac, individually and d/b/a Icon America, Inc.
Jonathan Parkinson, a/k/a Jonathan Parks, individually and d/b/a Icon America, Inc.

Assigned Attorney: Robin Eichen (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the offer and sale of credit card loss protection services.

Status: Complaint filed 10/17/01.
Stipulated preliminary injunction order entered 3/4/02.

FTC v. INSPIRED VENTURES, INC., No. 02-CV-21760 (S.D. Fla.)

Parties: Inspired Ventures, Inc.
Jesse Alper
Victor Alper

Assigned Attorneys: Brad Winter (BCP/MP)
K. Michelle Roden

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with business opportunities such as candy and gumball vending machines.

Status: Complaint for injunctive and other equitable relief filed 6/12/02.
Emergency motion for TRO and other equitable relief filed 6/12/02; granted 6/13/02.
Stipulated preliminary injunction entered 6/26/02.

FTC v. INTERNATIONAL TRADER, No. CV-02-02701-AHM (C.D. Cal.)

Parties: International Trader, d/b/a Premier Business Solutions and American Data
Systems
Bruce Anugwon, individually, and d/b/a Premier Business Solutions,
American Data Systems, International Trader

Assigned Attorneys: Guy G. Ward (MWR)
Theresa M. McGrew
John D. Jacobs (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of work-at-home medical billing opportunities.

Status: Complaint for injunctive and other equitable relief filed 4/2/02.
TRO with asset freeze, appointment of a temporary receiver, order
permitting expedited discovery, and order to show cause why a
preliminary injunction should not issue entered 4/3/02.
Stipulated preliminary injunction entered 4/23/02.
Stipulated final judgment and order for permanent injunction and other
equitable relief entered 9/13/02.

FTC v. J.K. PUBLICATIONS, INC., Nos. 00-56947, 00-56948 (9th Cir.); No.
99-000-44ABC (AJWx) (C.D. Cal.)

Parties:	J.K. Publications, Inc. Kenneth H. Taves, a/k/a Ken Till, d/b/a Netfill, netfill.com, xbc.com, N-Bill, Online Billing, Assist Online, Herbal Care, KULM Consulting Group Gary Neal Mittman, d/b/a Adult Bank, netfill.com, adultbank.com Maurice O'Bannon, d/b/a MJD Enterprises	Dennis Rappaport Discreet Bill, Inc. Herbal Care, Inc. TAL Services, Inc. Teresa Callei Taves MJD Services, Inc. Adult Banc, Inc. Net Options, Inc.
Assigned Attorneys:	Douglas Wolfe (BCP/MP) David Spiegel Marilyn E. Kerst (OGC)	
Alleged Conduct:	Making false and deceptive claims and engaging in unfair acts or practices in violation of Section 5 in billing for Internet services.	
Status:	Complaint and motion for TRO filed 1/5/99. TRO entered 1/6/99; extended by stipulations 1/19/99 and 2/11/99. Amended complaint adding additional defendants filed 1/20/99. Claims as to defendant Net Options dismissed by FTC motion, 1/20/99. Preliminary injunction as to defendants Mittman and Adult Banc, entered 3/10/99. Preliminary injunction as to defendants J.K. Publications, K. and T. Taves, and MJD Services, entered 3/16/99. Order to Show Cause why K. Taves should not be held in contempt for violating the TRO, entered 4/1/99. Finding of contempt as to K. Taves entered 5/6/99. Finding of contempt as to K. and T. Taves entered 5/10/99. Stipulated final judgment as to defendants Mittman and Adult Banc filed 6/8/99; entered 6/10/99. Motion for summary judgment as to remaining defendants filed 11/29/99; opposition filed 12/13/99; reply filed 12/20/99. Motion to dismiss complaint filed by defendant O'Bannon, 12/22/99; granted 4/10/00. Order for default judgment as to defendant Rappaport entered 3/8/00. Commission's motion for summary judgment granted in part, 4/10/00. Trial regarding the issue of damages held 6/14-6/15/00. Verdict in favor of the Commission, which provides for \$37.5 million in consumer redress, returned 8/9/00. Final judgment entered 8/30/00.	

Default judgments as to defendants TAL Services and Discreet Bill entered 8/31/00.
Notices of appeal (Nos. 00-56947, 00-56948) by defendants K. and T. Taves filed 10/30/00.
Appellants failed to file briefs due 2/15/01.
Court order requiring appellant J.K. Publications to show cause why the case should not be dismissed, entered 3/20/01.
Order dismissing No. 00-56779 for failure to prosecute entered 4/18/01 .
Order dismissing appeals Nos. 00-56947 and 00-56948 for failure to prosecute entered 6/18/02.

FTC v. JUBILEE FINANCIAL SERVICES, INC., No. 02-6468 (C.D. Cal.)

Parties: Jubilee Financial Services, Inc.
John E. Gustaven
Jabez Financial Group, Inc.
Curtis Cobb

Assigned Attorney: Jennifer Larabee (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of debt negotiation services.

Status: Complaint filed 8/19/02.
Ex parte TRO and appointment of a receiver entered 8/23/02.
Stipulation and order for preliminary injunction as to defendants Curtis Cobb and Jabez Financial Group, Inc. entered 9/4/02.
Stipulation and order for preliminary injunction as to defendants John E. Gustaven and Jubilee Financial Services, Inc. entered 9/4/02.

FTC v. KELLY, No. CV 99 562 RJD (E.D.N.Y.)

Party: Patrick R. Kelly, d/b/a Patrick R. Kelly Enterprises and P.R.K. Enterprises

Assigned Attorney: Ann Weintraub (NER)

Alleged Conduct: Violations of Section 5 and the Credit Repair Organizations Act in connection with counseling consumers to create a new credit identity.

Status: Complaint and motion for preliminary injunction filed 1/29/99.
Preliminary injunction entered 2/10/99.
Motion for summary judgment filed 7/6/01.
Defendant's response to motion for summary judgment and motion to dismiss for improper venue filed 9/28/01.
Reply to defendant's response filed 11/26/01.

FTC v. KOMACO INT'L, INC., No. CV02-04566 LGB (RNBx) (C.D. Cal.)

Parties: Komaco International, Inc., d/b/a Success Master International and Max Horizons Securities
Robert Lee Anderson
Kenshin Hayashi

Assigned attorneys: Barbara Y. K. Chun (WR-LA)
Raymond McKown

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of a work-at-home, booklet stapling program.

Status: Complaint filed 6/11/02.
Ex parte TRO entered 6/12/02.
Stipulated preliminary injunction filed 6/25/02.

Parties: Diversified Marketing Services, Inc.
H.G. Kuykendall, Jr.
H.G. Kuykendall, Sr.
C.H. Kuykendall
National Marketing Service, Inc.
NPC Corp. of the Midwest
Magazine Club Billing Services, Inc.

Assigned Attorneys: Gary Ivens (BCP/MP)
Brian Huseman
Michele Arington (OGC)

Alleged Conduct: Action to find defendants in contempt for violating a 1996 stipulated permanent injunction.

Status: Complaint filed 3/12/96.
Stipulated permanent injunction with redress (\$1.5 million) entered 10/18/96.
Commission's motion to show cause why defendants should not be found in contempt for violation of permanent injunction filed 1/28/02.
Order finding defendants in contempt and ordering defendants to pay \$39 million for consumer redress entered 3/4/02.
Motion in district court for stay pending appeal by defendants H.G. Kuykendall, Sr. and C.H. Kuykendall filed 3/22/02.
Notice of appeal by defendants H.G. Kuykendall, Sr. and C.H. Kuykendall filed 3/22/02.
Motion in district court for stay pending appeal by H.G. Kuykendall, Jr. and corporate defendants filed 3/25/02.
Notice of appeal by H.G. Kuykendall, Jr. and corporate defendants filed 3/25/02.
Order granting stay pending appeal contingent on defendants' posting superseding bond entered 4/9/02.
H.G. Kuykendall, Sr.'s and C.H. Kuykendall's motion for reconsideration of superseding bond amount filed 4/25/02; motion granted and bond amount reduced to \$5 million, entered 5/29/02.
Emergency motion by H.G. Kuykendall, Sr. and C.H. Kuykendall for stay pending appeal filed in 10th Circuit, 5/2/02; order denying motion as moot entered 6/11/02.
Opening brief of appellants H.G. Kuykendall, Sr. and C.H. Kuykendall filed 5/28/02.
Opening brief of H.G. Kuykendall, Jr. and corporate defendants filed 6/11/02.
Commission's motion to consolidate appeals filed 6/18/02; motion granted

6/20/02.
Commission's brief filed 7/8/02.
Appellants' reply briefs filed 7/25/02.
Oral argument held 9/27/02.

FTC v. LEADING EDGE PROCESSING, INC., No. 6:02-CV-681-ORL-19 DAB (M.D. Fla.)

Parties: Leading Edge Processing, Inc.
 Quality Publishing, Inc.
 Mega Processing Corp.
 Creative Tech of America, Inc.
 Digital Inputting Corp.
 The Bair Group, Inc.
 Michael J. Gardner, a/k/a Michael Gaidnei a/k/a Michael Gardenbair, and
 d/b/a Home Typist International, Datapros, Professional Data
 Services, New Age Information Specialists, and Work at Home
 Direct
 Rebecca A. Dahl, d/b/a Home Typist International, Datapros, Professional
 Data Services, New Age Information Specialists, and Work at
 Home Direct

Assigned Attorney: Robin Eichen (NER)

Alleged Conduct: False and deceptive practices in violation of Section 5 in connection with
 the offering of sale and sale of data entry work-at-home employment
 opportunities.

Status: Complaint for injunction and other equitable relief filed 6/13/02.
 Stipulated preliminary injunction entered 6/28/02.

FTC v. LIGHTFOOT, No. 02-CV-145 (S.D. Ohio)

Parties: Linda Jean Lightfoot, individually, and d/b/a Universal Direct
 Charles F. Childs, individually, and d/b/a Universal Direct

Assigned Attorney: Laurie Meehan (BCP/MP)

Alleged Conduct: Deceptive acts or practices in violation of Section 5 in connection with the
 operation of a spam chain letter.

Status: Complaint for injunctive and other equitable relief filed 3/29/02.
 Stipulated preliminary injunction with asset freeze entered 4/12/02.

FTC v. LOCKERY, No. 02-CV-1722 (D. Conn.)

Party: Sonya Lockery, d/b/a Internet Specialists

Assigned Attorney: Craig Tregillus (BCP/MP)

Alleged Conduct: Deceptive acts or practices in violation of Section 5 in connection with the sale of spam software and e-mail address lists to prospective Internet entrepreneurs.

Status: Complaint for injunctive and other equitable relief filed 9/30/02.

FTC v. MAR DELFINAS, LTD., No. 02-56163 (9th Cir.); No. 01-CV-1326-B (JAH) (S.D. Cal.)

Party: Mar Delfinas, Ltd.

Assigned Attorneys: Faye C. Barnouw (WR-LA)
Marilyn E. Kerst (OGC)

Alleged Conduct: Action to set aside fraudulent transfer of real property belonging to FTC debtor to a limited partnership under same debtor's control.

Status: Complaint filed 7/23/01.
Hearing on cross-motions for summary judgment held 6/10/02.
Order granting Commission's summary judgment motion and denying defendant Mar Delfinas, Ltd.'s motion for summary judgment or summary adjudication issues entered 6/14/02.
Judgment in favor of Commission, directing defendant's attorney to turn over net proceeds from the sale of a house that was fraudulently transferred, entered 6/26/02.
Notice of appeal by defendant filed 7/3/02.

FTC v. MEDICAL-BILLING.COM, INC., No. 3-02CV 0702P (N.D. Tex.)

Parties: Medical-billing.com, Inc., d/b/a Professional Management Consultants
Michele Graham

Assigned Attorneys: Thomas B. Carter (SWR)
Gary Kennedy

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of medical billing services.

Status: Complaint for injunctive and other equitable relief filed 4/5/02.
Stipulated preliminary injunction entered 5/17/02.

FTC v. MEDICOR LLC, No. CV 01-1896 CBM (EX) (C.D. Cal.)

Parties: Medicor LLC
Andrew Rubin
Matthew Rubin
S & M Trust
Mavin Holdings

Assigned Attorneys: Stephen Gurwitz (BCP/MP)
Peter Lamberton
Patricia Poss

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of medical billing work-at-home opportunities.

Status: Complaint filed 2/28/01.
TRO entered 3/1/01.
Preliminary injunction entered 4/12/01.
Trial set for 7/9/02.
Order finding defendant Rubin in contempt entered 3/1/02.
First amended complaint adding Matthew Rubin, Maven Holdings and S&M Trust filed 3/8/01.
Motion for preliminary injunction as to Matthew Rubin filed 3/30/01.
Order for preliminary injunction as to Medicor and Andrew Rubin filed 4/12/01.
Order denying order for preliminary injunction as to Matthew Rubin filed 5/8/01.
Motion for order of civil contempt as to Andrew Rubin filed 10/29/01.
Order granting motion for order of civil contempt as to Andrew Rubin filed 3/01/02.
Motion for summary judgment filed 3/29/02.
Motion for second order of civil contempt as to Andrew Rubin filed 4/12/02.
Second motion for civil contempt as to Andrew Rubin granted 6/5/02.
Order granting plaintiff's motion for summary judgment entered 7/18/02.
Order for permanent injunction and other relief as to defendants Medicor LLC, Andrew Rubin and Matthew Rubin entered 7/18/02.

FTC v. MEMBERSHIP SERVICES, INC., No. 01-CV-1868 (S.D. Cal.)

Parties: Membership Services, Inc.
James M. Schwindt

Assigned Attorneys: John Jacobs (WR-LA)
Jerome Steiner (WR-SF)
Elizabeth Blackston (AG-III.)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the sale of credit card loss protection services and advance fee credit cards.

Status: Complaint filed 10/15/01.
TRO with asset freeze filed 10/17/01; entered 10/18/01.
Preliminary injunction with asset freeze filed and entered 10/31/01.

UNITED STATES v. MERCANTILE MORTGAGE CO., No. 02-CV-5079 (N.D. Ill.)

Parties: United States Department of Housing and Urban Development,
co-plaintiff
State of Illinois, co-plaintiff
Mercantile Mortgage Company, Inc.
Bran Silveous
Ronald Noble

Assigned Attorneys: John A. Krebs (BCP/FP)
Allison I. Brown
Katherine R. Schnack (MWR)
Linda A. Wawzenski (AUSA)

Alleged Conduct: Violations of Section 5, the Truth in Lending Act, the Home Ownership and Equity Protection act, and the Commission's Trade Regulation Rule Concerning Credit Practices, in connection with mortgage company's lending practices.

Status: Complaint for permanent injunction and other equitable relief filed 7/18/02.
Stipulated final judgment and order entered 8/15/02.

FTC v. MORRONE'S WATER ICE, INC., No. 02-CV-3720 (E.D. Pa.)

Parties: Morrone's Water Ice, Inc.
Franchise Consultants Corporation, d/b/a Franchise Consultants Group
Ice America Corporation
Water Ice Systems, Inc.
JMS Sales Inc.
Stephen D. Aleardi, aka Steve Aleardi
John J. Morrone, III

Assigned Attorneys: Craig Tregillus (BCP/MP)
Russel Deitch

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the promotion and sale of Morrone's Italian Ice and Homemade Ice Cream business ventures.

Status: Complaint filed 6/12/02.
TRO issued 6/18/02.
Orders extending TRO entered 7/1/02 and 7/12/02.

FTC v. MYLAN LABORATORIES, INC., No. 02-5322 (D.C. Cir.); No. 1:98-CV-3114 (D.D.C.)

Parties:	Mylan Laboratories, Inc. Cambrex Corp. Profarmaco S.R.L.	Gyma Laboratories of America, Inc. SST Corporation
Assigned Attorneys:	Randall Marks (BC/HSP) David Pender Michael Kades Melvin H. Orlans (OGC)	
Alleged Conduct:	Conspiracy to monopolize, monopolization and attempted monopolization of a drug market, and entering agreements in restraint of trade in violation of Section 5.	
Status:	Complaint filed 12/22/98. Motion to dismiss filed 3/9/99; denied 7/7/99. Request for interlocutory appeal denied 8/10/99. Order staying proceedings pending settlement negotiations entered 7/13/00. Stipulated permanent injunction (including \$100 million in disgorgement of profits) filed 11/29/00; entered 2/9/01. Motion to dismiss direct purchaser plaintiffs for lack of standing filed by defendants 4/10/01. Commission's memorandum and direct purchaser memorandum in opposition filed 4/30/01. Motion to dismiss direct purchaser plaintiffs denied 6/29/01. Approval of settlement entered 2/1/02. Motion by same objectors/class members for reopening of the time to file an appeal filed 6/17/02. Joint notice of appeal by certain objectors/class members filed 6/25/02. Order in District Court denying motion of objectors/class members for reopening of time to appeal entered 8/9/02	

FTC v. NATIONAL AUDIT DEFENSE NETWORK, No. CV-S-02-0131-LRH-PAL, (D. Nev.)

Parties: National Audit Defense Network, Inc.
Tax Coach, Inc., d/b/a Tax Ready
Robert Bennington
Cort Christie
Al Rodriguez

Assigned Attorneys: Janice L. Charter (WR-SF)
Jerome M. Steiner
Blaine T. Welsh (AUSA)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Truth in Lending Act
by failing to provide refunds in a timely manner in connection with the sale
of income tax-reducing strategies and services.

Status: Complaint filed 1/30/02
TRO entered 2/1/02.
Stipulated preliminary injunction entered 2/25/02.

FTC v. NATIONAL CRAFTERS CORP., No. 01-4826-Civ-Graham-Turnoff (S.D. Fla.)

Parties: National Crafters Corp.
Thomas Felix Diaz, Jr.

Assigned Attorneys: Robin L. Rock (SER)
Chris M. Couillou

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing of a work-at-home business opportunity involving assembly of
beaded bracelets.

Status: Complaint filed 11/27/01.
TRO entered 11/28/01.
Stipulated preliminary injunction filed 12/12/01.

FTC v. NAVESTAR DM, INC., No. 20-CV-6269T (W.D.N.Y.)

Parties: Navestar DM, Inc.
Financial Services Network USA, Inc.
Paul Navestad

Assigned Attorneys: Dara Diomande (NER)
Michele Stolls

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing of advance fee loan and cash grant programs.

Status: Complaint filed and ex parte TRO with asset freeze entered 6/12/00.
Motion to stay discovery and proceed on the basis of the findings from the discovery in a parallel criminal matter filed 6/28/00; denied 9/21/00.
Stipulated preliminary injunction filed 8/24/00; entered 8/25/00.
Consent judgment and permanent injunction against all defendants filed 1/3/02; entered 1/7/02.
Order granting \$16, 237,996.40 in favor of Commission against individual defendant Paul Navestar and granting lien of \$16,000 in favor of Commission and/or State of New York on real property reflecting the cost incurred for emergency repairs to property entered 6/25/02
Motion by individual defendant Paul Navestar to vacate the judgment order filed 7/16/02.
Commission's opposition to motion to vacate judgment filed 8/16/02.

FTC v. NETFORCE SEMINARS, No. 00-CV-2260 PHX RCB (D. Ariz.)

Parties: Netforce Seminars
Richard Slaback
J.D. Noland
Darin Epps
Edward Lamont

Assigned Attorneys: David C. Fix (BCP/MP)
Elizabeth A. Hone

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing of an Internet commerce pyramid scheme.

Status: Complaint filed 11/29/00.
Stipulated final judgments and orders for permanent injunctions as to defendants R. Slaback, D. Epps, Netforce Seminars and E. Lamont filed 6/21/01; entered 6/26/01.
Stipulated final judgment and order for a permanent injunction as to J.D. Noland entered 7/2/02.

FTC v. OSI FINANCIAL SERVICES, INC., No. 02-CV-5078 (N.D. Ill.)

Parties: State of Illinois, co-plaintiff
OSI Financial Services, Inc.
Mark Diamond

Assigned Attorneys: John A. Krebs (BCP/FP)
Allison I. Brown
Katherine R. Schnack (MWR)

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 in connection with mortgage broker's lending practices.

Status: Complaint for permanent injunction and other equitable relief filed 7/18/02.

FTC v. PEISSEL, No. H-02-1237 (S.D. Tex.)

Parties: Antoine J. Peissel, d/b/a The Woodway Group
Thomas A. Brandt, d/b/a The Woodway Group

Assigned Attorneys: W. David Griggs (SWR)
Deborah W. Dawson

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing and sale of advance fee loan services.

Status: Complaint for injunctive and other equitable relief filed 4/3/02.
Preliminary injunction entered 4/12/02.

FTC v. PENDLETON GROUP, INC., No. SACV 01-930 DOC (ANx) (C.D. Cal.)

Parties: The Pendleton Group, Inc., d/b/a Product Distribution Center and
Lakeshore Industries
James C. Caouette, individually and d/b/a as Product Distribution Center,
Superior Ink Products and Lakeshore Industries

Assigned Attorneys: Theresa McGrew (MWR)
William Hodor
Rolando Berrelez

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with supplying nondurable office supplies.

Status: TRO filed 10/9/01; entered 10/19/01.
Stipulated preliminary injunction filed and entered 10/25/01.
Commission's motion for contempt filed 8/27/02.
Stipulated permanent injunction and final judgment order entered 9/27/02.

FTC v. PHYSICIANS HEALTHCARE DEVELOPMENT, INC., No. CV 02-2936 RMT (JWJx)
(C.D. Cal.)

Parties: Physicians Healthcare Development, Inc., a/k/a Physician Healthcare
Development Inc., Physicians Healthcare Development, Physician
and Healthcare Development, PHD and PHD Billing
NetBiz, Inc., d/b/a Physicians Healthcare Development
Antonio Echavez

Assigned Attorneys: Jennifer Larabee (WR-LA)
Kenneth H. Abbe

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of work-at-home medical billing opportunities.

Status: Complaint seeking TRO and asset freeze filed 4/10/02.
Opposition filed 4/10/02.
TRO granting all relief and asset freeze entered 4/10/02.
Stipulated preliminary injunction entered 4/24/02.

FTC v. PREMIER FINANCIAL SERVICES INTERNATIONAL, INC., No. 02-61134 (S.D. Fla.)

Parties: Premier Financial Services International, Inc.
Premier Financial Services of Tennessee, Inc.
First Financial Debt Consolidation, Inc.
Scott Jason Kaduk

Assigned Attorney: Robin L. Rock (SER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/13/02.
Stipulated preliminary injunction entered 8/22/02.

FTC v. REXALL SUNDOWN, INC., No. 00-7016-CIV-MARTINEZ (S.D. Fla.)

Party: Rexall Sundown, Inc.

Assigned Attorneys: Daniel Kaufman (BCP/AP)
Shira D. Modell
Stacy Feuer
Theodore Hoppock

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing of a dietary supplement.

Status: Complaint filed 7/19/00.
Defendant's motion to dismiss filed 8/23/00.
Commission's opposition filed 9/12/00.
Defendant's reply filed 9/21/00.
Commission's motion for partial summary judgment filed 12/1/00.
Defendant's opposition filed 12/18/00 .
Commission's reply filed 12/29/00.
Defendant's motion for summary judgment filed 5/1/01.
Commission's motion for partial summary judgment denied on non-substantive grounds, 9/26/01.
Defendant's motion for continuance filed 10/5/01.
Joint pretrial stipulation filed 10/22/01.
Commission's second motion to compel production of documents filed 11/13/01.
Order denying Rexall's motion to dismiss entered 9/23/02.
Order denying Rexall's motion for summary judgment entered 9/23/02.

FTC v. ROYAL FLUSH SYSTEM NETWORK, INC., No. C02-1085L (W.D. Wash.)

Parties: Royal Flush System Network, Inc.
Ecaps Credit Solutions Network, Inc.
Globalot Services, Inc.
Flash Productions, Inc.
Wilson Okike
Basil Steeves
Natty Osemwengie
Obiageli Okike
Lexandine Property Management, Inc.
Uchenna Okike.

Assigned Attorneys: Thomas P. Rowan (NWR)
Kathryn C. Decker

Alleged Conduct: Violations of Section 5 and the Telemarketing Sales Rule in connection with the operation of a foreign lottery telemarketing scheme.

Status: Complaint for permanent injunction filed 5/15/02.
Stipulated final judgment as to defendant Basil Steeves filed and entered 5/15/02.

FTC v. SANI PURE FOOD LABORATORIES, No. 02-CV-4608 (D.N.J.)

Parties: Sani Pure Food Laboratories
Ronald A. Schnitzer

Assigned Attorneys: Janet M. Evans (BCP/AP)
Rielle C. Montague

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the provision of false test data used to support a bogus anthrax test kit.

Status: Complaint filed 9/24/02.

FTC v. SAYLON, INC., No. 01-9273 NM (C.D. Cal.)

Parties: Saylon, Inc., d/b/a First Liberty Financial, Saylon National Credit, Shop
Saylon, and Quicklinks.com
Mark Joseph Lyon
John Donald Lyon
Kurt Charles Uhler

Assigned Attorneys: Raymond E. McKown (WR-LA)
Barbara Y. K. Chun

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with a direct
mail credit card solicitation scheme.

Status: Complaint for injunctive and other equitable relief filed 10/29/01.
TRO with asset freeze entered 11/1/01.
Preliminary injunction against defendants entered 11/20/01.
Stipulated final judgment and order for permanent injunction as to
defendant Kurt Charles Uhler entered 7/17/02.
Stipulated final judgment and order for permanent injunction as to
defendants Saylon, Inc., Mark Joseph Lyon and John Donald Lyon
entered 8/5/02.

FTC v. SCOTT, No. 02-CV-2120 (E.D. Cal.)

Party: Richard Jon Scott, d/b/a Cyber Data, a/k/a Cyber Firepower

Assigned Attorney: Craig Tregillus (BCP/MP)

Alleged Conduct: Deceptive acts or practices in violation of Section 5 in connection with the
sale of spam software and e-mail address lists to prospective Internet
entrepreneurs.

Status: Complaint for injunctive and other equitable relief filed 9/27/02.

Parties: Nuraldin Shareef Karim, a/k/a Dillon Sherif, Dillon Shareef, and Dillon Nariman, d/b/a ALS, GCI, Grand Alliance Service, PBI, Power Ball Services, Royal Enterprises and Royal Marketing Group
Melissa C. Robinson, d/b/a Royal Majesty Services, Royal International Services, Royal Enterprises and Mutual American
Saul Somerstein, a/k/a Saul Somers, d/b/a Imperial Marketing Service, Alliance Marketing Service, RMG and World Marketing Service
Nariman Sabri Mikdad, a/k/a Nariman Sherif, relief defendant
Amina Mohamad, relief defendant

Assigned Attorneys: Mary T. Benfield (NWR)
Thomas Rowan

Alleged Conduct: Violations of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of foreign lotteries.

Status: Complaint for injunctive and other equitable relief and motion for preliminary injunction filed 2/7/02.
Stipulated preliminary injunction as to defendant Melissa C. Robinson entered 7/10/02.
Preliminary injunction as to defendant Nuraldin Shareef Karim entered 7/22/02.
Withdrawal of complaint and motion for preliminary injunction as to Saul Somerstein without prejudice entered 8/6/02.
Motion for entry of default as to defendants Nuraldin Shareef Karim, Nariman Sabri Mikdad, and Amina Mohamad filed 9/16/02; granted 9/24/02.
Trial date scheduled for 8/11/03.

FTC v. SKYBIZ.COM, INC., Nos. 01-5166, 01-5176, 02-5004 (10th Cir.); No. 01-CV-396 (N.D. Okla.)

Parties:	Skybiz.com, Inc. World Service Corporation Nanci Corporation International Worldwide Service Corporation Skybiz International Ltd. James S. Brown Stephen D. McCullough Elias F. Masso Nanci H. Masso Kier E. Masso Ronald E. Blanton
Assigned Attorneys:	James Elliott (SWR) Kristin Malmberg James R. Golder Judith Shepherd Michele Arington (OGC) John Singer
Alleged Conduct:	Deceptive practices in violation of Section 5 in connection with a pyramid scheme involving home-based business opportunities.
Status:	Complaint filed 5/30/01. TRO with asset freeze and receiver entered 6/6/01. First amended complaint adding defendant SkyBiz International filed 6/25/01. Motion by SkyBiz Int'l to dismiss for lack of personal jurisdiction filed 7/16/01. Preliminary injunction against Nanci Masso and Nanci Corporation Int'l ("NCI") entered 8/2/01. Preliminary injunction against other "SkyBiz defendants" (except SkyBiz Int'l) entered 8/31/01. Nanci Masso's and NCI's motion for reconsideration of preliminary injunction filed 9/19/01; denied 10/15/01. SkyBiz defendants' notice of appeal of preliminary injunction order filed 9/19/01; appellants' brief filed 11/8/01; Commission brief filed 12/11/01. Order denying SkyBiz Int'l's motion to dismiss for lack of personal jurisdiction entered 9/19/01. Order authorizing receiver to collect \$32 million from SkyBiz Int'l entered 9/26/01. SkyBiz Int'l's notice of appeal of order authorizing the collection of

receivables filed 9/27/01; Commission motion to dismiss appeal filed 11/13/01; appellant's response filed 12/12/01; court of appeals order deferring decision on motion to dismiss entered 3/25/02. SkyBiz Int'l's emergency motion (in district court) to stay order authorizing collection of receivables filed 9/27/01; granted 9/28/01. Preliminary injunction against SkyBiz International Ltd. entered 1/2/02. SkyBiz Int'l's notice of appeal of preliminary injunction filed 1/8/02; appellants failed to file brief due 4/10/02. Stipulated final judgment and order for permanent injunction as to defendant Ronald E. Blanton filed 1/11/02; entered 1/14/02. SkyBiz Int'l's motion for stay of preliminary injunction filed in district court 1/15/02; denied 2/5/02. SkyBiz Int'l's motion for stay of preliminary injunction in court of appeals filed 2/8/02; denied 2/15/02. SkyBiz Int'l's motion to dismiss voluntarily its appeals (01-5176 and 02-5004) filed 4/25/02. Order granting voluntary dismissal of SkyBiz Int'l's appeals entered 4/29/02. Oral argument in SkyBiz defendants' appeal held 9/23/02. Trial date set for 10/21/02.

FTC v. SMOLEV, No. 01-8922 CIV-ZLOCH (S.D. Fla.)

Parties:	Ira Smolev Richard Kaylor Member Service of America, LLC. Premier Membership Services, LLC. Inter*act Communications, Inc. Erevenue Partners, L.L.C. Linden Investments, L.L.C. Premier Club Services, L.L.C. Residents Resource Network, LLC. Revenue Solutions, L.L.C. The Backend Company of America, Inc.	Bruce Turiansky Triad Discount Buying Service, Inc. Orchid Associates, L.L.C. Inter*act Travel, Inc. Consumer Data Depot, L.L.C. Far Services, L.L.C. Lynstrom Information Service, LLC. Premier Marketing Services of America, L.L.C. Spanish River Investors, L.L.C. The Shoppers Edge, L.L.C. Triad Marketing Group, Inc. Tritell of Nevada, L.L.C.
Assigned Attorneys:	Louise Jung (BCP/ENF) Gregory Ashe Renate Kincheck Ramona Elliot (BCP/PI)	
Alleged Conduct:	Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with telemarketing buying club memberships.	
Status:	Complaint for injunctive and other equitable relief filed 10/23/01. Stipulated final judgment and order for permanent injunction and monetary settlement as to Ira Smolev and all corporate defendants filed 10/23/01; entered 11/27/01. Stipulated final judgment and order for permanent injunction and monetary settlement for defendant Richard Kaylor filed 4/8/02; entered 4/17/02.	

FTC v. SPEEDWAY MOTORSPORTS, INC., No. 1:01CV00126 (M.D.N.C.)

Parties: Speedway Motorsports, Inc.
Oil-Chem Research Corp.

Assigned Attorneys: Jonathan Cowen (BCP/ENF)
Edwin Rodriguez
Craig Lisher
Laureen Kapin
Michael Ostheimer (BCP/AP)
Melvin H. Orlans (OGC)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of fake motor vehicle lubricant.

Status: Complaint filed 1/31/01.
Trial deferred pending possible settlement

FTC v. STAR CREDIT SERVICES, No. CV-02-4500 (E.D.N.Y.)

Parties: Star Credit Services
James Shovak

Assigned Attorney: Carole A. Paynter (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing of advance fee loan services.

Status: Complaint filed 8/14/02.
TRO with asset freeze and other equitable relief entered 8/16/02.
Stipulated preliminary injunction with asset freeze and other equitable relief entered 9/25/02.

FTC v. STOCK VALUE 1, INC., No. 02-80131-CIV-HURLEY/LYNCH (S.D. Fla.)

Parties: Stock Value 1, Inc., a/k/a SV1
Deborah Jenkins

Assigned Attorneys: Daniel Kaufman (BCP/AP)
Serena Viswanathan
Marcella Cohen Auerbach (AUSA)

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the sale of cellular phone electromagnetic radiation protector patches.

Status: Complaint for permanent injunction and other equitable relief filed 2/13/02.
Amended complaint for permanent injunction and other equitable relief filed 5/22/02.
Stipulated permanent injunction against defendant Deborah Jenkins entered 8/28/02.
Commission's motion for summary judgment against defendant Stock Value 1, Inc. filed (under seal) 9/12/02.

FTC v. STREAMLINE INTERNATIONAL, INC., No. 01-6885-Civ-Ferguson (S.D. Fla.)

Parties: Streamline International, Inc.
J.R. Jackson
Robert "Bob" Waitkus

Assigned Attorneys: David Torok (BCP/MP)
Michelle Roden

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of health-care products through a pyramid scheme.

Status: Complaint filed 5/23/01.
Motion for preliminary injunction filed 5/30/01.
Stipulated final judgment and order for permanent injunction as to defendant Robert Waitkus filed 2/7/02; entered 2/7/02.

FTC v. STUFFINGFORCASH.COM CORP., No. 02C-5022 (N.D. Ill.)

Parties: Stuffingforcash.com Corp.
American Publishing, Inc.
Sound Publications, Inc.
Nelson Barrero
Eduardo Gonzalez
Ilena M. Morales

Assigned Attorneys: Steven Wernikoff (MWR)
Therese Tully

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
purported envelope stuffing employment opportunities.

Status: Complaint for injunctive and other equitable relief filed 7/16/02.
TRO with asset freeze and other equitable relief entered 7/16/02.
Stipulated preliminary injunction filed 8/22/02.

FTC v. TLD NETWORK, LTD., No. 02C1475 (N.D. Ill.)

Parties: TLD Network, Ltd.
Quantum Management (GB) Ltd.
TBS Industries, Ltd.
Thomas Goolnik
Edward Goolnik

Assigned Attorney: Steven Wernikoff (MWR)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
internet domain names.

Status: Complaint and motion for TRO filed 2/28/02.
TRO granted 2/28/02.
TRO extended through 10/15/02.

FTC v. TASHMAN, No. 01-14137-HH (11th Cir.); No. 98-7058 Civ. (S.D. Fla.)

Parties:	Stephen I. Tashman Ernest F. Lockamy Harris M. Cohen	Stephen M. Mishkin Michael S. Dundee Telecard Dispensing Corp.
Assigned Attorneys:	Ronald E. Laitsch (SER) Robin Rock Lawrence DeMille-Wagman (OGC)	
Alleged Conduct:	False and deceptive claims in violation of Section 5 and the Franchise Rule in soliciting purchasers of vending machines that dispense prepaid telephone calling cards.	
Status:	Complaint filed and TRO entered 9/29/98 TRO extended by stipulation. Stipulated preliminary injunction entered 12/21/98. Commission's motion for summary judgment filed 12/16/99. Motion denied by order entered 3/2/00. Trial held 4/10-4/13/00 and 6/14-6/15/00. Stipulated final judgment as to defendants Mishkin and Cohen filed and entered 6/14/00. Order holding defendant Tashman in violation of one franchise count, dismissing other four counts, and requiring disgorgement of \$420,000 entered 5/24/01. Notice of appeal by Commission filed 7/18/01. Commission's appellate brief filed 11/19/01. Appellee's motion for remand to district court filed 12/4/01. Appellee's brief filed 12/22/01. Denial of motion for remand to district court entered 12/27/01. Appellant's reply filed 1/17/02. Commission reply brief filed 1/22/02. Oral argument held 4/4/02.	

FTC v. THINK ACHIEVEMENT CORP., Nos. 01-1663, 00-3744, 98-4265 (7th Cir.); No. 2:98-C-12-TS (N.D. Ind.)

Parties:	Think Achievement Corp. The Answering Service, Inc. New Age Advertising Corp. Career Advancement Corp. Patricia A. Harris Sena J. Rager Ferron F. Harris Jill Robinson, a/k/a Jill Carpenter Linda S. Tankersley David Barnack, d/b/a Information Delivery Service	National Answering Service The Rosewood Group H.D. Davidson Advertising Corp. Information Delivery Systems, Inc. Harry D. Brankle Tillwanner “Tee” Jackson Steven F. Stucker William H. Tankersley
Assigned Attorneys:	Robin Richardson (BCP/ENF) David Frankel (BCP/AP) Lawrence Demille-Wagman (OGC)	
Alleged Conduct:	Deceptive practices in the sale of employment program to persons seeking positions with the U.S. Postal Service.	
Status:	Complaint filed, TRO and asset freeze entered with appointment of receiver, 1/15/98. Preliminary injunction as to original defendants entered 2/10/98. Complaint amended to add additional defendants and TRO issued as to those defendants, 2/10/98. Preliminary injunction as to additional defendants entered 3/31/98. Order granting partial stay of compliance with asset freeze regarding offshore assets entered 4/9/98. Stipulated final judgment as to defendant Stucker entered 10/22/98. Order granting motion to amend complaint entered 10/22/98. Order denying motion to set aside default as to corporate defendants entered 10/22/98. Notice of appeal from order declining to set aside default filed 12/17/98; Court of Appeals order directing appellant to state why appeal should not be dismissed for lack of jurisdiction entered 1/7/99; appeal voluntarily withdrawn 1/14/99. Motion for default judgment filed 12/30/98; withdrawn without prejudice 2/1/99. Stipulated final judgment as to defendants P. Harris, F. Harris, Brankle, Rager, Jackson, Barnack, and Robinson filed 5/4/99; entered 6/15/99. Commission’s motion for summary judgment as to the corporate defendants and W. and L. Tankersley filed 6/8/99. Motion for summary judgment granted from the bench, 2/4/00. Notice of appeal by W. and L. Tankersley filed 10/19/00.	

Appellants' motion in district court for stay of judgment pending appeal
 filed 10/31/00.
 Commission's opposition to motion filed 11/15/00.
 Motion for stay pending appeal denied 12/5/00.
 Appellants' emergency motion in court of appeals for stay of judgment
 pending appeal filed 12/7/00.
 Commission's opposition to emergency motion filed 12/13/00.
 Emergency motion for stay pending appeal denied 1/12/01.
 Defendants W. and L. Tankersley held in civil contempt of court for failure
 to provide accounting and turn over assets, 1/29/01; warrant issued
 for their arrest 2/9/01; W. and L. Tankersley taken into custody
 2/12/01.
 Appellants' counsel's motion to withdraw as attorneys of record filed and
 granted 3/14/01.
 Commission's notice of appeal (cross-appeal, No. 01-1663) filed 3/14/01.
 Hearing on defendants' motion to reconsider court's order holding them in
 civil contempt held 4/18/01; denied 4/18/01.
 Briefing in appeal stayed pending further court action ordered 5/23/01.
 Motion to intervene in cross-appeal filed by Nick Thiros (W. Tankersley's
 criminal attorney) filed 5/3/01; granted 5/25/01.
 Motion to intervene in cross-appeal by Gregory Sarkisian (W. and L.'s
 Tankersleys's civil attorney) filed 5/31/01; granted 6/7/01.
 Denial of Tankersley's motion to reconsider contempt order after
 evidentiary hearing entered 11/14/01.
 William Tankersley's notice of appeal of district court's denial of motion to
 reconsider contempt order filed 1/9/02.
 William Tankersley's opening brief (for 00-3744 and 00-4152) filed 3/8/02.
 William Tankersley's brief (in 02-1268) filed 3/29/02.
 Commission's consolidated brief filed 5/16/02.
 Reply by William Tankersley filed 6/19/02.
 Oral argument held 9/27/02.

Parties: Tim Cho Investment Corp.
Timothy Cho

Assigned Attorney: Ken Abbe (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of “day trading” seminars.

Status: Complaint filed 3/15/01.
Defendants’ motion to dismiss case, to strike a portion of complaint, and
for a protective order to avoid having the Commission contact
consumers filed 4/24/01.
Defendants’ motion to stay discovery filed 5/29/01.
Commission’s opposition to all of defendants’ motions filed 6/12/01.
Order denying defendants’ motions to dismiss, strike and for protective
orders entered 6/22/01.
Commission’s motion to strike defendants’ affirmative defenses filed
8/17/01.
Commission’s motion to strike defendants’ jury demands filed 8/17/01;
granted 9/5/01.
Order striking defendants’ jury demands entered 9/5/01.
Commission’s motion to strike all of defendants’ affirmative defenses filed
8/17/01; order granting in part and denying in part entered 9/5/01.
Commission's motion for preliminary injunction and order for asset freeze,
appointment of receiver and expedited discovery filed 1/9/02;
hearing held 2/11/02.
Preliminary injunction and order for expedited discovery (but excluding
order for asset freeze) granted 2/15/02.
Stipulated final judgment and order for permanent injunction, disgorgement
and monetary relief entered 7/24/02.

FTC v. TRAVEL EXPRESS INTERNATIONAL, INC., No. 1: 01-CV-0906-GET (N.D. Ga.)

Parties: Travel Express International, Inc.
Robert E. Lewis, II
Alan D. Humphries

Assigned Attorneys: Barbara E. Bolton (SER)
Harold Kirtz

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing of vacation travel packages.

Status: Complaint filed 4/9/01.
Complaint amended 10/29/01.
Commission's and defendants' motions for summary judgment filed 6/3/02.
Responses filed 7/5/02.
Reply briefs filed 7/22/02.

FTC v. TUNGSTEN GROUP, INC., No. 2:01 cv 773 (E.D. Va.)

Parties: Commonwealth of Virginia, co-plaintiff
State of North Carolina, co-plaintiff
State of Wisconsin, co-plaintiff
The Tungsten Group, Inc., d/b/a American Savings Discount Club, Auto
Services Discount Club, ASDC and TTG Financial
The Tungsten Group II, Inc., d/b/a American Savings Discount Club and
ASDC
Robert J. Demellweek, individually and as an officer of Tungsten Group
and Tungsten Group II
David Vincent Jensen, individually and as an officer of Tungsten Group II

Assigned Attorneys: Steven Balster (ECR)
Brinley Williams
Jon Steiger
Jonathan Kessler

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the operation of an advance-free loan scam.

Status: Complaint filed and TRO with asset freeze and appointment of a receiver
entered 10/15/01.
Stipulated order extending TRO entered 10/25/01.
2nd stipulated order extending TRO entered 10/31/01.
3rd stipulated order extending TRO entered 11/8/01.
Stipulated preliminary injunction with asset freeze and receiver entered
12/3/01.
Defendants' motion to modify preliminary injunction (to release funds) filed
2/26/02.
Plaintiffs' opposition to modify preliminary injunction filed 3/12/02.
Stipulated final order and permanent injunction entered 7/30/02.

FTC v. TYME LOCK 2000, INC., No. CV-S-02-1078-JCM-RJJ (D. Nev.)

Parties: Tyme Lock 2000 Inc., d/b/a United Family Services and USA Membership Services
Total Resources, Inc.
Ruth R. Adams
Stella L. Aguilar

Assigned Attorneys: Janice L. Charter (WR-SF)
Jerome M. Steiner, Jr.

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of nonexistent credit cards.

Status: Complaint filed 8/19/02.
TRO with asset freeze and receiver granted 8/19/02.
Preliminary injunction entered 9/4/02.
Amended preliminary injunction entered 9/18/02.

FTC v. UNITED FITNESS OF AMERICA, LLC, No. CV-S-02-0648 (D. Nev.)

Parties: United Fitness of America, L.L.C.
George Sylva
Tristar Products, Inc.
Kishore Mirchandani

Assigned Attorneys: Walter Gross (BCP/ENF)
Laureen Kapin
Robert Sussman
Elena Paoli
Robin Spector
Amy Lloyd
Joshua Millard

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale and promotion of an electronic abdominal exercise belt, Fast Abs.

Status: Complaint filed 5/7/02.
Defendants' motion to dismiss filed 7/17/02.
Commission's opposition to defendants' motion to dismiss filed 8/5/02.

FTC v. UNIVERSAL GREETING CARD CORP., No. 02-21753 (S.D. Fla.)

Parties: Universal Greeting Card Corp.
Robert Ruffeino
Edward Jacobs
Wayne Hammond

Assigned Attorneys: Delores Gardner Thompson (BCP/MP)
Gary L. Ivens

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the promotion and sale of greeting card business ventures.

Status: Complaint for injunctive and other equitable relief filed 6/12/02.
Order granting motion for TRO entered 6/13/02.
Stipulated preliminary injunction order entered 6/28/02.
Commission's motion for entry of default judgment against Robert Ruffeino filed 9/4/02; default judgment entered 9/5/02.
Commission's motion for 90-day stay of proceedings against defendants filed 9/9/02; granted 9/10/02.

FTC v. VENDCO, LLC, No. CV-S-02-0816-RLH-PAL (D. Nev.)

Parties: Vendco, LLC
Curt Briguglio, a/k/a Curt Briggs
Johan Briguglio, a/k/a Jo Briggs

Assigned Attorneys: Joseph A. Lipinsky (NWR)
Thomas P. Rowan
Blaine T. Welsh (AUSA)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the promotion and sale of vending machine business ventures.

Status: Complaint filed 6/12/02.

FTC v. VERITY INTERNATIONAL, LTD., No. 01-6130 (2d Cir.); No. 00 CIV 7422 (S.D.N.Y.)

Parties: Verity International, Ltd.
Automatic Communications Limited
Integretel, Inc.
Ebillit, Inc.
Robert Green
Marilyn Shein

Assigned Attorneys: Lawrence Hodapp (BCP/MP)
David M. Torok
Marilyn E. Kerst (OGC)

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 in connection with the billing of international calls over the Internet.

Status: Complaint filed and ex parte TRO entered 10/2/00.
Opinion granting preliminary relief entered 12/14/00.
Preliminary injunction entered 1/4/01.
Application for an order to show cause why defendants R. Green and M. Shein should not be held in civil contempt filed 1/31/01.
Second amended complaint adding defendant Automatic Comm. Ltd. filed 2/27/01.
Opinion holding defendants R. Green and M. Shein in civil contempt and ordering fines, arrest, and civil commitment, 5/1/01.
Cross-motion to partially vacate or modify preliminary injunction order filed 3/27/01; denied 5/14/01.
Motion to modify preliminary injunction, including its extension to ACL, filed 4/3/01; granted in part 5/14/01.
Notice of appeal of order denying motion to vacate or modify preliminary injunction by defendants Verity International, Robert Green and Marilyn Shein filed 6/8/01.
Order in district court inviting Federal Communication Commission to file amicus brief on certain jurisdictional issues and directing Commission to provide relevant documents entered 1/18/02.
FCC amicus brief on jurisdictional issues filed 2/27/02.
Oral arguments in district court set for 11/4/02.

FTC v. WADE COOK FINANCIAL CORP., No. C00-1698Z (W.D. Wash.)

Parties: Wade Cook Financial Corporation
Stock Market Institute of Learning, Inc.
Wade Cook, defendant in contempt action only

Assigned Attorneys: Eleanor Durham (NWR)
Randy Brook
Patricia Leigh

Alleged Conduct: Civil contempt action for repeated violations of consent decree.

Status: Complaint for permanent injunction and other equitable relief filed 10/5/00.
Consent decree entered 10/13/00.
Motion asking court to hold in contempt Wade Cook Financial Corporation
and Stock Market Institute of Learning, Inc. filed 2/20/02.
Stipulated continuance and preliminary order to comply with one part of
requested relief entered 3/6/02.
Stipulated continuance entered 9/6/02.

FTC v. WALKER, No. C02-5169 RJB (W.D. Wash.)

Party: David L. Walker, d/b/a DLW Consulting, Inc.

Assigned Attorneys: Eleanor Durham (NWR)
Patricia A. Hensley

Alleged Conduct: Deceptive practices in violation of Section 5 in the sale of a purported
cancer treatment.

Status: Complaint filed 3/29/02.
TRO entered 4/8/02.
Preliminary injunction entered 4/12/02.

FTC v. WESTCAL EQUIPMENT, INC., No. C02-1783 (W.D. Wash.)

Parties: Westcal Equipment, Inc., d/b/a Pioneer First
PF Member Services, Inc.
Robert Barr
Candace Rodriguez
Charles Schmidt
Wayne Wrath

Assigned Attorneys: Eleanor Durham (NWR)
Patricia A. Hensley
Kathryn C. Decker

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/19/02.
TRO entered 8/21/02.
Stipulated preliminary injunction as to Robert Barr and Candace
Rodriguez entered 9/11/02.
Preliminary injunction as to Westcal Equipment, Inc. and PF Member
Services, Inc. entered 9/11/02.
TRO and order to show cause as to Wayne Wrath and Charles Schmidt
dissolved 9/11/02.

FTC v. WESTERN DIETARY PRODUCTS CO. (SKOOKUM), No. C01-0818R (W.D. Wash.)

Parties: Western Dietary Products Co. (Skookum), d/b/a Western Herb & Dietary
Products, Inc.
Marvin Beckwith
Miguelina Beckwith

Assigned Attorneys: Michael Milgrom (ECR)
Brinley Williams
Nadine S. Samter (NWR)

Alleged Conduct: Deceptive practices and false advertising in violation of Sections 5 and 12
in connection with the marketing and sale of herbal remedies and
treatments.

Status: Complaint filed 6/4/01.
Preliminary injunction entered 6/14/01.
Stipulated final judgment and order filed 12/26/01; entered 12/27/01.

FTC v. WORLD MEDIA BROKERS INC., No. 02C-6985 (N.D. Ill.)

Parties: World Media Brokers Inc., a/k/a 913062 Ontario Inc.
1165107 Ontario Inc., also d/b/a Canadian Catalogue, Canadian Catalogue
Services, CCS, and Interwin Marketing
Faby Games Inc., a/k/a 1106759 Ontario Inc., also d/b/a Canadian
Catalogue Services, and CCS
624654 Ontario Limited, also d/b/a Express Sales, Express Marketing
Services, EMS, and First Telegroup Marketing
637736 Ontario Limited, also d/b/a Express Marketing Services and EMS
537721 Ontario Inc., also d/b/a Canadian Express Club
Express Marketing Services LTD., also d/b/a EMS
Cash & Prizes, Inc.
Intermarketing Services, Inc.
George Yemec
Anita Rapp
Steven Rapp
Paul Teskey
Jean-Paul Teskey
Dean Temple

Assigned Attorney: David O'Toole (MWR)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of foreign lottery tickets and
sweepstakes.

Status: Complaint filed 9/30/02.

CIVIL PENALTY AND ENFORCEMENT CASES³

(A) Consumer Protection

UNITED STATES v. ALPINE INDUSTRIES, INC., Nos. 01-5759, 00-5553 (6th Cir.); No. 2:97-CV-509 (E.D. Tenn.)

Parties: Alpine Industries, Inc.
William J. Converse

Assigned Attorneys: Elena I. Paoli (BCP/ENF)
Michele Arington (OGC)
Elizabeth Stein (DOJ/CIV)
Peter R. Maier

Nature of Action: Action for civil penalties, injunctive and other relief for violations of prior Commission consent order.

Status: Complaint filed 12/30/97.
United States motion for partial summary judgment filed 6/30/99.
Trial began 9/29/99.
Jury ruling in favor of United States entered 11/1/99.
Interim injunction incorporating jury verdict entered 1/12/00.
Defendants' motion to dissolve interim injunction filed 2/11/00;
opposition filed 2/28/00; motion denied by order entered 4/10/00.
Notice of appeal from 4/10/00 injunction filed 4/28/00.
Motion for an order to show cause why defendants and non-parties who aided them in violating the injunction should not be held in civil contempt filed 4/11/00; opposition filed by defendants, 5/1/00; opposition filed by non-parties, 6/9/00; United States reply filed 6/19/00; settlement resolving contempt issues filed and entered 9/12/00.
Defendants' motion in district court for stay of 4/10/00 injunction pending appeal filed 5/3/00; opposition filed 5/22/00; motion denied by order entered 6/7/00.
Defendants' motion in court of appeals for stay pending appeal filed 7/21/00; opposition filed 7/28/00; defendants' reply filed 8/8/00; motion denied without prejudice 8/14/00.
Defendants' brief (on appeal from preliminary injunction) filed 10/30/00.

³ Includes all suits in which civil penalties are sought; consumer redress, injunctions, and ancillary equitable relief may also be sought.

United States' brief filed 12/6/00.
Defendants' reply filed 12/20/00.
Penalties portion of civil penalties trial held 1/16-1/23/01.
Final judgment with \$1.49 million in civil penalties entered 4/5/01.
Defendants' notice of appeal (No. 01-5759) from final judgment filed
6/15/01.
Motion to dismiss defendants' appeal of preliminary injunction granted
6/18/01.
Appellants' proof brief (on appeal from final judgment) filed 9/4/01.
United States' proof brief filed 10/18/01; final brief filed 11/28/01.
Appellants' proof reply brief filed 11/1/01; final briefs filed 12/4/01.
Oral argument set for 12/4/02.

UNITED STATES v. AMERICAN VENDING VENTURES GROUP, INC., No. 02-CV-21766
(S.D. Fla.)

Parties:	American Vending Ventures Group, Inc. Jamie Hagen Leland Balber Peter Abrams
Assigned Attorneys:	Colleen Robbins (BCP/MP) Jeffrey Steger (DOJ/CIV)
Nature of Action:	Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule in connection with personal care product vending machine business ventures.
Status:	Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02. Trial date set for 2/10/03.

UNITED STATES v. BRAKEGUARD PRODUCTS, INC., No. C01-686P (W.D. Wash.)

Parties: Brake Guard Products, Inc.
Brake Guard LLC (Nev.)
Brake Guard LLC (Wash.)
Ed F. Jones, a/k/a Ellsworth F. Jones
Lawrence H. Jones
Kimberly Bennett

Assigned Attorneys: J. Reilly Dolan (BCP/ENF)
Allan Gordus (DOJ/CIV)
Brian Kipnis

Nature of Action: Action for civil penalties, injunctive and other relief for violations of Commission's cease and desist order, and for deceptive practices in violation of Section 5 in connection with the marketing and sale of motor vehicle braking systems.

Status: Complaint and motion for preliminary injunction filed 5/11/01.
Defendant Ed F. Jones' dismissal from case due to his death 7/1/01.
Order granting leave to serve Lawrence H. Jones by publication entered 12/4/01.
Application for entry of default as to all defendants except Lawrence H. Jones filed 1/11/02.
Default as to Ed F. Jones and corporate defendants entered 1/31/02.
Application for entry of default as to Lawrence H. Jones filed 3/13/02.
Order granting preliminary injunction entered 3/20/02.
Default as to defendant Lawrence H. Jones entered 4/19/02.
Motion by defendant Lawrence H. Jones to vacate entry of default filed 4/26/02; granted 6/26/02.
Government's motion for entry of default as to defendant Lawrence H. Jones filed 7/9/02.
Order granting entry of default judgment and permanent injunction against defendants Brake Guard Products, Inc., Brake Guard LLC (Nev.), Brake Guard LLC (Wash.), and Kimberly Bennett entered 7/29/02.
Jury trial set for 5/5/03.

UNITED STATES v. CENTURY PLACEMENTS, INC., No. 6:02-CV-680-ORL-28KRS (M.D. Fla.)

Parties: Century Placements, Inc.
Martel, Inc.
Mark Miller

Assigned Attorneys: Daniel Salsburg (BCP/MP)
Douglas Stearn (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule for in connection with snack and candy vending machine business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/13/02.

UNITED STATES v. CONVERSE, No. 01-CV-212 (E.D. Tenn.)

Parties: William J. Converse
Alpine Industries, Inc.
Eva J. Converse
BRGC, Inc.
Michael J. Jackson
Ecoquest International, Inc.
Conjack Enerprises, LLC
Best Investments, Inc.
Environmental Health Services, Inc.
Alpine Technologies, Inc.

Assigned Attorneys: Elena I. Paoli (BCP/ENF)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action to collect federal debt of \$1.49 million in civil penalties under the Federal Debt Collection Procedures Act.

Status: Complaint filed 7/23/01.
Answer filed 10/12/01.
Dispositive motions due 12/23/02.
Pretrial briefs due 2/24/03.
Trial to begin 3/24/03.

UNITED STATES v. DC CREDIT SERVICES, INC., No. 02-5115 MMM(FMOX) (C.D. Cal.)

Parties: DC Credit Services, Inc.
David Cohen

Assigned Attorneys: Gerald E. Wright (WR-SF)
Sondra L. Mills (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive and other relief for violations of the Fair Credit Reporting Act and the Fair Debt Collection Practices Act in connection with the placing of false information on consumers' credit reports and the pursuit of debt collection activity.

Status: Complaint filed 6/27/02.
Consent decree entered 7/8/02.

UNITED STATES v. DYNAMIC WHEELS & TIRES, INC., No. 02-7603 (C.D. Cal.)

Parties: Dynamic Wheels & Tires, Inc.
Gary Jerjerian

Assigned Attorneys: Joel N. Brewer (BCP/ENF)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Mail or Telephone Order Merchandise Rule.

Status: Complaint filed 9/30/02.
Consent decree and order for injunctive and other relief filed and entered 9/30/02.

UNITED STATES v. E-BABYLON, INC., No. 02-CV-6561 (C.D. Cal.)

Parties: E-Babylon, Inc.
Michael Zaya
Aidin Yousif

Assigned Attorneys: Matthew D. Gold (WR-SF)
Linda K. Badger

Nature of Action: Action for civil penalties, injunctive, and other relief for violation of Section 5 and the Mail or Telephone Order Merchandise Rule for the marketing of re-manufactured and generic replacement cartridges for inkjet printers.

Status: Complaint for civil penalties, injunctive and other relief filed 8/22/02.
Consent decree and order for injunctive relief, civil penalties, and other relief entered 8/26/02.

UNITED STATES v. ESPRESSO ITALIA MARKETING, INC., No. 02-80545-CIV-HURLEY/LYNCH (S.D. Fla.)

Parties: Espresso Italia Marketing, Inc.
Shadd Vickory
Patrick Albright

Assigned Attorneys: Colleen Robbins (BCP/MP)
Sondra Mills (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of Section 5 and the Franchise Rule for in connection with espresso-cappuccino vending machine business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.
Jury trial date set for 6/2/03.

UNITED STATES v. GLOBAL VENDING SERVICES, INC., No. CV-S-0817-PMP-PAL (D.
Nev.)

Parties: Global Vending Services, Inc.
Nicholas G. Chomakos, a/k/a Nick Choma
Matthew A. Capicchioni, a/k/a Matt Capi

Assigned Attorneys: Colleen Robbins (BCP/MP)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the
Franchise Rule in connection with snack and soda vending machine
business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and
other equitable relief filed 6/12/02.

UNITED STATES v. MERCHANT PAYMENT SOLUTIONS, INC., No. 4:02-CV-93-3 (M.D.
Ga.)

Parties: Merchant Payment Solutions, Inc.
Steven Todd Knight

Assigned Attorneys: Colleen Robbins (BCP/MP)
Jeffrey Steger (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the
Franchise Rule for in connection with miniature automatic teller machine
business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and
other equitable relief filed 6/12/02.

UNITED STATES v. NATIONWIDE PREMIUM CIGAR DISTRIBUTORS CORP., No. 02-60811 (S.D. Fla.)

Parties: Nationwide Premium Cigar Distributors Corp.
Alvin Blish

Assigned Attorneys: Colleen Robbins (BCP/MP)
Richard Goldberg (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Section 5 and Franchise Rule in connection with cigar distributorship business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.
Jury trial date set for 5/19/03.

UNITED STATES v. NORTH AMERICAN VENDING, INC., No. 2:02-cv-572 (D. Utah)

Parties: North American Vending, Inc.
Terry D. Bird

Assigned Attorneys: Colleen Robbins (BCP/MP)
Alan Phelps (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule in connection with bulk vending machine business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.
Ex parte motion for TRO filed 6/12/02; granted 6/13/02.
Stipulated preliminary injunction entered 6/28/02.

UNITED STATES v. PEOPLEPC, INC., No. C-02-4054 (N.D. Cal.)

Party: PeoplePC, Inc.

Assigned Attorneys: Linda K. Badger (WR-SF)
Kerry O'Brien
Jocelyn Burton (AUSA)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Mail Order Rule and the Pre-Sale Availability Rule for untimely delivery of PCs, computer peripherals, and Internet access service.

Status: Complaint for civil penalties, injunctive and other relief filed 8/22/02.

UNITED STATES v. PERFUMES UNLIMITED, INC., No. 02-21767 (S.D. Fla.)

Parties: Perfumes Unlimited, Inc.
Ignacious Goldenberger, a/k/a Goldemberg a/k/a Ignacio Goldenberg

Assigned Attorneys: Colleen Robbins (BCP/MP)
Richard Goldberg (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule and Section 5 in connection with perfume and cologne display rack business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.
Trial date set for 2/10/03.

UNITED STATES v. PROCHNOW, No. 1 02-CV-917 (N.D. Ga.)

Parties: Richard L. Prochnow
Dennis H. Goughion
Ronald Altbach
Media Outsourcing, Inc.
Cross Media Marketing Corporation

Assigned Attorneys: James Prunty (BCP/ENF)
Louise R. Jung
Robert M. Frisby
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive and other relief for violations of Section 5, the Telemarketing Sales Rule, and a prior FTC cease and desist order.

Status: Complaint filed 4/9/02.

UNITED STATES v. SUPERIOR HOSPITALITY, No. 02-CV-2856 (D.N.J.)

Parties: Superior Hospitality
Robert Baxter

Assigned Attorneys: Colleen Robbins (BCP/MP)
Sondra Mills (DOJ/CIV)

Nature of Action: Action for civil penalties and other relief for violations of Section 5 and the Franchise Rule in connection with the offering of sale and sale of candy and snack vending machine business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction and other equitable relief filed 6/14/02.

UNITED STATES v. TURNKEY VENDING, INC., No. 1:02-CV-00075 (D. Utah)

Parties: Turnkey Vending, Inc.
Michael S. Burnett

Assigned Attorneys: Colleen Robbins (BCP/MP)
Alan Phelps (DOJ/CIV)

Nature of Action: Action for civil penalties and other relief for violations of the Franchise Rule and Section 5 in connection with business opportunities involving tabletop quarter vending skill business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.

UNITED STATES v. UNIVEND, LLC, No. 02-0433-P-L (S.D. Ala.)

Parties: Univend, LLC
Paul Hall

Assigned Attorneys: Colleen B. Robbins (BCP/MP)
Alan Phelps (DOJ/CIV)

Nature of Action: Action for civil penalties and other relief for violations of Franchise Rule and Section 5 in connection with candy and soda vending machine business opportunities.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.

(B) Competition

UNITED STATES v. BOSTON SCIENTIFIC CORP., No. 00 CV 12247 (D. Mass.)

Party: Boston Scientific Corporation

Assigned Attorneys: Anne R. Schenof (BC/COMP)
Kenneth A. Libby
Anita Johnson (AUSA)
Drake Cutini (DOJ/CIV)
Patrick Jasperse

Nature of Action: Action for civil penalties, injunctive and other relief for violations of prior Commission consent order.

Status: Complaint filed 10/31/00.
Motion to dismiss by defendant filed 11/29/00.
Opposition and cross-motion for summary judgment filed 2/9/01.
Defendant's reply on its motion to dismiss and opposition to plaintiff's
motion for partial summary judgment filed 4/6/01.
United States' reply to defendant's opposition to its motion for partial
summary judgment filed 5/21/01.
Oral argument on defendant's motion to dismiss and United States' cross-
motion for partial summary judgment held 6/21/01.
Order granting in part government's motion for partial summary judgment
entered 9/28/01.
Order granting summary judgment in part (on counts 1 and 5) and denying
in part (on counts 2 through 4) entered 10/3/01.
Answer to complaint filed 10/15/01.
Motion for reconsideration as to Count V filed 10/16/01.
Opposition to motion to reconsider filed 10/30/01.
Trial held 8/5/02 - 8/9/02 and 9/17/02 - 9/20/02.
Memorandum and Order denying defendant's motion for reconsideration
as to Count V entered 8/8/02.

SUBPOENA AND CID ENFORCEMENT PROCEEDINGS⁴

FTC v. GLAXOSMITHKLINE, No. 01-5391 (D.C. Cir.); No. 1:01MS00163 (RCL) (D.D.C.)

Parties: GlaxoSmithKline

Assigned Attorneys: Melvin H. Orlans (OGC)
Randy Marks (BC)
Gary Schorr
Seth Silber

Nature of Action: Subpoena enforcement.

Status: Petition filed 4/18/01.
Stipulation bifurcating proceeding into issues raised by specification 12 of subpoena and issues raised by specifications 1-11 filed 4/20/01;
ordered by court 4/21/01.
Order enforcing specification 12 entered 6/12/01.
Commission's motion for compliance with specifications 1-11 filed 8/17/01.
Motion for compliance with Specifications 1-11 filed 8/20/01.
Defendant's opposition filed 9/10/01.
Decision enforcing Specifications 1-11 in their entirety entered 10/9/01.
District court order denying defendant's motion for stay pending appeal entered 11/5/01.
Court of appeals order granting motion for stay pending appeal entered 12/27/01.
Appellant's brief on appeal filed 1/11/02.
Commission answer brief filed 2/8/02.
Appellant's reply brief filed 2/20/02.
Oral argument held 4/22/02.
Judgment reversing ruling of the district court entered 7/2/02.

⁴ Includes suits to enforce compliance with waiting periods prescribed by Section 7A of the Clayton Act, 15 U.S.C. § 18a.

FTC v. THE KEN ROBERTS COMPANY, No. 00-5266 (D.C. Cir.); No. 00-204JR (D.D.C.)

Parties: The Ken Roberts Company
The Ken Roberts Institute

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Action to enforce civil investigative demands.

Status: Petition and order to show cause filed 4/6/00.
Order requiring compliance with CIDs entered 5/26/00.
Notice of appeal filed 7/24/00.
Appellant's brief filed 5/23/01.
Commission's brief filed 6/22/01.
Appellant's reply filed 7/10/01.
Oral argument held 10/4/01.
Affirmation of district court's order entered 12/28/01.
Defendant's petition for rehearing and rehearing en banc filed 2/8/02;
denied 3/1/02.
Defendant's motion to delay issuance of mandate filed 3/8/02.
Commission's opposition to motion to delay issuance of mandate filed
3/15/02.
Order denying motion to delay issuance of mandate filed 3/22/02.
Mandate issued 3/28/02.
Petition for a writ of certiorari by Ken Roberts filed 5/30/02.
Commission's opposition to certiorari petition filed 8/2/02.
Reply by The Ken Roberts Company filed 8/20/02.

FTC v. LOREE & LORD, No. 02-6212 (2d Cir.); No. M18-304 (S.D.N.Y.)

Parties: Loree & Lord
Paige Loree Hensley

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Action to enforce a civil investigative demand.

Status: Petition filed 7/12/02.
Order to show cause entered 7/12/02.
Hearing to show cause held 7/29/02.
Order requiring compliance with the CID entered 7/29/02.
Motion to vacate order filed 8/6/02; denied 8/8/02.
Notice of appeal filed 8/15/02.

FTC v. MOREHEAD McKIM GALLAHER FUNERAL DIRECTORS, INC., No. M18-304
(S.D.N.Y.)

Party: Morehead McKim Gallaher Funeral Directors, Inc.

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Action to enforce civil investigative demand.

Status: Petition filed 6/7/02.
Order to show cause entered 6/7/02.
Hearing to show cause held 6/28/02.
Order requiring compliance with CID entered 6/28/02.

FTC v. PW MARKETING, 02-CV-2146 (C.D. Cal.)

Party: PW Marketing LLC

Assigned Attorney: Timothy T. Hughes (OGC)

Nature of Action: Action to enforce civil investigative demand.

Status: Petition and motion to show cause filed 3/14/02.
Order to show cause granted 3/15/02.
Oral argument held 4/22/02.
Order requiring compliance with civil investigative demand entered 4/22/02.

FTC v. S.S.T. MANAGEMENT, INC., No. 02-80832 (S.D.Fla.)

Parties: S.S.T. Management, Inc.
Slim Down Solution, Inc.
Slim Down Solution, LLC
Ronald Alarcon
Kathleen Alarcon

Assigned Attorneys: Janet Evans (BCP/AP)
Karen Muoio
Marilyn E. Kerst (OGC)

Nature of Action: Action to enforce civil investigative demands.

Status: Petition for order enforcing CIDs filed 9/3/02.
Order to show cause issued 9/13/02.
Response to order to show cause filed 9/26/02.
Commission statement that petition is now moot filed 9/30/02.
Order dismissing petition as moot entered 10/6/02.

SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION

AMERICAN BAR ASSOCIATION v. FTC, No. 02-1883 (RBW) (D.D.C.)

Party: American Bar Association

Assigned Attorneys: Michael D. Bergman (OGC)
Brian Sonfield (AUSA)

Nature of Action: Action for declaratory relief challenging the Commission's refusal to grant an exception to certain members of the Bar from the privacy provisions set forth in Title V of the Gramm-Leach-Bliley Act.

Status: Complaint filed 9/25/02.

FEDERAL TRANSTEL, INC. v. ADVANCED WEB SOLUTIONS, INC., No. 2001CV38216
(Ga. Super.Ct.)

Parties: Advanced Web Solutions, Inc., f/k/a Web Valley, Inc., f/k/a Profile
National Business Directory, Inc. (co-defendant)
Federal Trade Commission (co-defendant)

Assigned Attorneys: Rolando Berrelez (MWR)
Alonzo H. Long (AUSA)
Joan Humes (AUSA)

Nature of Action: Action for declaratory judgment and money damages following a settlement agreement between the Advanced Web Solutions, Inc. and the Commission, attempting to enjoin the Commission from collecting assets held by the plaintiff. Plaintiff claims defendant breached a contract by signing the rights of the assets over to the Commission.

Status: Complaint filed 5/22/01.
Defendant's notice to remove case to federal court filed 7/19/01.
Defendant's motion to dismiss or, alternatively, for change of venue filed 8/17/01.
Order staying all actions after Federal Transtel's 12/11/01 filing of petition for bankruptcy entered 5/1/02.

LAKIN LAW FIRM v. FTC, No. 02-557-WDS (S.D. Ill.)

Parties: Lakin Law Firm
Freed & Weiss, LLC

Assigned Attorneys: Marilyn E. Kerst (OGC)
Alysa Stiefel

Nature of action: Action under Freedom of Information Act and Administrative Procedure Act.

Status: Complaint filed 6/3/02.
Commission's motion to dismiss filed 7/8/02.
Voluntary dismissal of plaintiff Lakin Law Firm filed 7/26/02.
Motion by plaintiff Fred & Weiss LLC for summary judgment filed 8/19/02.
Cross-motion for summary judgment filed 9/6/02.

NEW YORK STATE BAR ASS'N v. FTC, No. 02-810 (RBW) (D.D.C.)

Party: New York State Bar Association (plaintiff)

Assigned Attorneys: Michael D. Bergman (OGC)
Brian J. Sonfield (AUSA)

Nature of Action: Action for declaratory judgment challenging the Commission's refusal to grant an exception to lawyers from the privacy requirements of the Gramm-Leach-Bliley Act and implementing regulations.

Status: Complaint filed 4/29/02.
Commission's motion to dismiss filed 7/1/02.
Plaintiff's opposition to motion to dismiss filed 9/16/02.
Amici brief in support of plaintiff's opposition filed 9/30/02.

NORTH AMERICAN BROADCASTING, LLC v. FTC, No. CV-00-10421 AHM (RCx) (C.D. Cal.)

Parties: North American Broadcasting, LLC (plaintiff)
Brian Moldo (co-defendant)

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Action under 42 U.S.C §§ 1983 and 1988 to secure monetary relief for alleged violations of plaintiff's due process and other constitutional rights.

Status: Complaint filed 9/28/00.
Stipulated agreement to stay proceedings for six months filed 1/9/01;
entered 1/11/01.
Order continuing stay entered 6/18/01.

PEDERSON v. TRILEGIANT CORP., Nos. 02-1027-DRH, 02-MISC-67-GPM (S.D. Ill.); No. 01-L-1126 (Third Judicial Circuit, Madison County, Ill.)

Parties: Carlene N. Pederson, plaintiff
Trilegiant Corp., a/k/a Cendant Membership Services

Assigned Attorneys: Marilyn E. Kerst (OGC)
Alysa Stiefel

Nature of Action: Class action lawsuit against financial service provider alleging "cramming."

Status: Subpoena to the Commission issued by state court 7/31/02.
State court order to show cause entered 8/22/02.
Subpoena pursuant to letters rogatory from state court entered in federal court (No. 02-MISC-67) 8/26/2002.
Notice of removal from state court entered 9/18/02.
Case assigned to federal court civil action No. 02-1027.
Commission's response to show cause order in case No. 02-1027 filed 9/27/02.
Commission's motion to quash the subpoena in case No. 02-MISC-67 filed 9/27/02.
Plaintiff's opposition to Commission's motion to quash filed 10/3/02.

R.J. REYNOLDS TOBACCO COMPANY v. FTC, No. 01-0623 (D.D.C.)

Part: R.J. Reynolds Tobacco Company (RJR)

Assigned Attorney: Leslie R. Melman (OGC)

Nature of Action: Action to compel the production of documents under FOIA.

Status: Complaint filed 3/21/01.
Answer filed 5/4/01.
Motion to quash subpoena issued to Food and Drug Administration filed 1/4/02.
Commission motion for summary judgment filed 3/11/02.
RJR motion for summary judgment filed 3/11/02.
RJR's response in opposition to Commission's motion for summary judgment filed 3/26/02.
Commission's response in opposition to RJR's motion for summary judgment filed 4/10/02.
Commission's reply to RJR's response to Commission's summary judgment filed 4/19/02.
RJR's reply to Commission's response to RJR's summary judgment filed 5/3/02.

TRANS UNION v. FTC, Nos. 01-5202 (D.C. Cir.); Nos. 00-2087, 00-1828 (ESH) (D.D.C.)

Parties: Individual Reference Services Group, Inc. (plaintiff)
Trans Union LLC (plaintiff in consolidated action)
Board of Governors of the Federal Reserve System (co-defendant)
Federal Deposit Insurance Corporation (co-defendant)
Office of the Comptroller of the Currency (co-defendant)
Office of Thrift Supervision (co-defendant)
National Credit Union Administration (co-defendant)
Securities and Exchange Commission (co-defendant)

Assigned Attorneys: Michael Bergman (OGC)
Lawrence DeMille-Wagman
John F. Daly

Nature of Action: Actions under the Administrative Procedure Act for review of the Commission's rules implementing the privacy provisions of the Gramm-Leach-Bliley Act.

Status: IRSG complaint filed 7/28/00.
Trans Union complaint filed 8/30/00.
Defendant Agencies' motion to transfer case to the D.C. Circuit and consolidate with parallel litigation filed 9/21/00.
Notice of voluntary dismissal of SEC filed by IRSG, 9/15/00.
Opposition to motion to transfer filed 10/5/00.
Motion denied 10/24/00.
Answer filed 10/24/00.
Motions for summary judgment filed by IRSG and Trans Union, 11/1/00.
Agencies' motion to consolidate civil action 00-2087 (*Trans Union, LLC v. FTC*) with this action, filed 11/22/00; granted 11/29/00.
Opposition and cross-motion for summary judgment by defendant agencies filed 12/15/00.
Response and reply briefs on cross-motions for summary judgment filed by IRSG and Trans Union, 1/12/01.
Agencies' reply memorandum in support of cross-motion for summary judgment filed 2/2/01.
Order granting agencies' motion for summary judgment entered 4/30/01.
IRSG's notice of appeal filed 5/25/01.
IRSG's motion for injunction pending appeal filed 5/25/01.
Agencies' opposition to motion for an injunction pending appeal filed 6/5/01.
Trans Union's notice of appeal filed 6/5/01.
District court order in 00-1828 denying plaintiff IRSG's motion for injunction pending appeal entered 6/6/01.
IRSG's motion in court of appeals for injunction pending appeal filed

6/11/01; agencies' opposition filed 6/19/01.
Order consolidating petitions for review and direct appeals entered 6/21/01.
Order denying emergency motion for injunction pending appeal entered
6/28/01.
Order granting appellant's/petitioners' consent motion to dismiss petitions
for review in 00-1289, 00-1335, 00-1336, 00-1337, 00-1338, 00-
1339, 00-1340 and 01-5175 voluntarily, and vacating consolidation
of 01-5202 with other cases, filed 8/1/01.
Order granting Trans Union's emergency motion to vacate the expedited
briefing schedule in 01-5202 filed 8/7/01.
Trans Union's brief filed 12/5/01.
Agencies' brief filed 1/10/02.
Trans Union's reply brief filed 2/8/02.
Deferred appendix filed 2/15/02.
Final briefs filed 3/4/02.
Oral argument held 5/3/02.
Opinion and judgment affirming the district court's decision entered
7/16/02.
Trans Union's petition for panel rehearing filed 8/30/02.

AMICUS CURIAE BRIEFS or PARTIAL INTERVENTIONS

CARTER v. ICR SERVICES, INC., No. CV-00-C-2666-W (N.D. Ala.)

Assigned Attorneys: Todd M. Kossow (MWR)
Nicholas J. Franczyk

Nature of Action: Class action suit alleging violations of the Credit Repair Organizations Act.

Status: Brief of the Commission as amicus curiae objecting to the \$1.2 million in attorney fees class counsel is expected to seek, filed 8/14/02.
Final judgment awarding class counsel \$1.2 million in attorney's fees entered 9/6/02.

ERIKSON v. AMERITECH CORP., No. 99-CH-18873 (Consolidated with 99-CH-11536, 00-L-011474, 00-L-00500, 01-CH-3373) (Cir. Ct., Cook County, Ill.)

Assigned Attorneys: David A. O'Toole (MWR)
Robert M. Frisby (BCP/ENF)
Louise R. Jung
Elaine D. Kolish

Nature of Action: Class action case alleging that Ameritech violated various laws by failing to disclose that some consumers would incur additional costs over and above the monthly subscription charge for voice mail service.

Status: Motion for leave to file memorandum of law as amicus curiae opposing as inadequate a settlement preliminarily approved by the court, filed 6/20/02; granted 6/27/02.
Memorandum of law of Commission as amicus curiae filed 6/27/02.
Approval of settlement denied 9/18/02.

IN RE FIRST DATABANK, No. 1:01CV870 (TPJ) (D.D.C.)

Assigned Attorney: Melvin H. Orlans (OGC)

Alleged Conduct: Violation of Section 7A(a) of the Hart-Scott-Rodino Act and Regulations promulgated under the Hart-Scott-Rodino Act, as well as violation of Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

Status: Commission motion to intervene or, in the alternative, participate as an amicus for the limited purpose of opposing class counsel's petition for attorneys' fees filed 1/2/02.
Commission motion to intervene granted 2/6/02.
Fee award of \$5.115 million requested by class counsel for the direct purchaser plaintiffs denied 5/21/02.
Fee award in the amount of \$2.4 million, plus interest, to counsel for the direct purchaser plaintiffs and in the amount of \$275,000, plus interest, to counsel for the indirect purchaser plaintiffs approved 8/28/02.

POWERS v. HARRIS, et al., No. CIV-01-445-F (W.D. Okla.)

Assigned Attorneys: Maureen K. Ohlhausen (OPP)
Myra Howard

Nature of Action: Internet-based casket seller filed suit against the Oklahoma State Board of Embalmers and Funeral Directors alleging that Oklahoma's Funeral Services Licensing Act, which requires all sellers of funeral goods to be licensed funeral directors, violates the Interstate Commerce Clause of the United States Constitution.

Status: Memorandum of law of Commission as amicus curiae filed 9/5/02.

PERSONNEL MATTERS AND PERSONAL LIABILITY LITIGATION

CAPITAL CITY MORTGAGE CORP. v. BLOWER/SHEER, No. 02-cv-731 (D.D.C.); No. 02ca000943 (D.C. Super. Ct.)

Parties: Capital City Mortgage Corp., plaintiff
Thomas K. Nash, plaintiff
Bradley Blower, defendant
Alain Sheer, defendant

Assigned Attorneys: Marilyn E. Kerst (OGC)
Marina Braswell (AUSA)

Nature of Action: Action for declaratory judgment, injunctive relief, and money damages alleging intentional and negligent torts, constitutional violations and statutory RICO violations.

Status: Complaint filed 2/12/02.
Removed to federal district court 4/17/02.
Commission's motion to dismiss filed 6/17/02.
Opposition to motion to dismiss filed 8/31/02.
Commission's reply filed 9/10/02.

Parties: Marcy E. Shyovitz, plaintiff
Timothy J. Muris, defendant in his capacity as Chairman of the
Commission
Federal Trade Commission, defendant

Assigned Attorneys: Jill Coleman (OGC)
David C. Shonka
Paul Mussenden (AUSA)

Nature of Action: Action under the Age Discrimination in Employment Act, Title VII (gender
and religion) and the Rehabilitation Act.

Status: Complaint filed 9/1/00.
Answer filed 10/31/00.
Amended complaint, adding Title VII and Rehabilitation Act claims, filed
2/23/01.
Motion for leave to file second amended complaint filed 3/22/01.
Motion for leave to file third amended complaint filed 9/21/01.
Opposition to motion for leave to file third amended complaint filed
10/4/01.
Reply to defendant's opposition to motion for leave filed 10/19/01.
Third amended complaint filed 2/13/02.
Order granting summary judgment in favor of Commission entered
2/20/02.
Amended order granting summary judgment in favor of Commission
entered 2/20/02.
Notice of appeal filed 4/11/02.
Commission's motion for summary affirmance filed 5/28/02.
Opposition to Commission's motion and cross-motion for summary
reversal filed 6/18/02.
Commission's reply in further support of the motion for summary
affirmance filed 7/11/02.
Appellant's reply to appellee's opposition to the cross-motion for summary
reversal filed 7/22/02.
Order denying appellant's motion for summary reversal entered 9/11/02.
Order granting Commission's motion for summary affirmance entered
9/11/02.

